

# 2020 INTERNATIONAL 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 **2020 Knowledge-Based Audits of International Entities** have been updated to help auditors conduct audit engagements in accordance with the ISAs. The 2019-2020 tools include links to specific guidance that provides instant access to detailed analysis related to the steps and processes discussed in the workpapers. Also included is access to a financial statement disclosures checklist tool that provides a centralised resource of the current required and recommended accounting disclosures and key presentation items under International Financial Reporting Standards (IFRS).

The 2020 edition of *Knowledge-Based Audits of International Entities* includes the following updates:

**Roll Forward Note:** All Noncomplex forms (KBA-201N, KBA-302N, and KBA-401N) have been removed and combined with the prior Complex documents. If you have used a Noncomplex document in your prior engagement, before rolling that file forward, you must add the Complex document to your engagement binder to retain the data from the Noncomplex document, then remove these workpapers from the prior year binder after you have rolled the binder forward.

If your binder has already been finalized and you don't want to unfinalize the binder to insert the Complex document before you roll forward from the 2018 version, you are able to make a copy of your finalized binder, insert the applicable Complex documents, then roll forward the copied binder to the 2019 title version. After roll forward remember to delete the copied prior year binder from your file room. Doing this will retain the data into the 2019 combined versions.

Alternatively copy and paste the data from the prior year Noncomplex document, from the prior year binder, after you roll forward into the current combined versions. The Noncomplex document will roll forward as an obsolete workpaper with no data and will need to be removed after you have rolled forward your binder. You will need to refer to your prior year binder for data in the Noncomplex document.

For "update knowledge coach content", you should insert the Complex version of the workpaper prior to updating to retain information from the now, obsolete noncomplex version. We recommend that the user publish the Noncomplex versions prior to "update knowledge coach content" so that the user has access to the data, since after updating, the noncomplex version will be obsolete.

## 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>					

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
Modify	Added practice point regarding audit quality indicators	Instructions	Enhancement		
Modify	Under “Document the other services our firm performs for this entity?” modified column header from “Firm Personnel Responsible” to “Firm Personnel Overseeing the Service” to match <i>AID-201</i> .  New flow of column, “Nature of Other Services” to <i>AID-201</i> column, “Description of Service” and column “Firm Personnel Overseeing the Service” will flow to <i>AID-201</i> .	Table	Improved Workflow		Step will retain on roll forward with default settings.  In <i>AID-201</i> the new flows will be new rows in <i>AID-201</i> and the prior user entered rows in <i>AID-201</i> will be retained on roll forward if user selects to keep all responses on roll forward. The user will need to combine these or modify as applicable.
Modify	Under “Section II: Reporting Objectives, Timing of the audit, and Nature of Communications with Management and those Charged with Governance” added “Physical inspection of assets” to the items listed in the table in step 5.	Table	Enhancement		
<b>KBA-102 Engagement Completion Document</b>					
Modify	Modified item “o” in list of items that may be considered significant matters to include the quality of disclosures: Discussions or correspondence with management in connection with accounting practices (including the quality of disclosures), applicable auditing standards, or fees and other services.	Instructions	Clarification		
Add	Added table “Prior Year Substantive Matters and Significant Findings”. This table is only user entry if the user would like to document prior year matters or findings.	Table	Enhancement		
<b>KBA-105 Review of Significant Accounting Estimates</b>					
Modify	Added practice point regarding the prevalence of peer review concerns related to significant estimates.	Purpose	Enhancement		
<b>KBA-200 Entity Information and Background</b>					
Modify	Added new flow of question, “Describe the users or expected users of the financial statements (e.g., owners, stakeholders, lenders):” to <i>KBA-301</i>	Table	Enhancement		
<b>KBA-201 Client/Engagement Acceptance and Continuance Form</b>					
Modify	Combined <i>KBA-201</i> and <i>KBA-201N</i> giving the auditor the option to memo or complete the detailed table for each section.	Program	Improved Workflow		Information from <i>KBA-201</i> will retain on roll forward except the findings table if the user uses the default roll forward

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	User will need to answer Tailoring Question under each section if the user will document the consideration in memo format or complete the detailed table.				<p>settings. To retain all, the user would need to select to keep all responses on roll forward.</p> <p>If the user used <b>KBA-201N</b> in the prior year then all information except for the acceptance/continuance decision will retain from <b>KBA-201N</b> if one of the first two options in the Roll Forward Note above is performed. Please see Roll Forward Note at the top of this file for further information.</p>
<b>KBA-201N Client/Engagement Acceptance and Continuance Form: Non-Complex Entities</b>					
Obsolete	Obsolete workpaper, see <b>KBA-201</b> for roll forward considerations.				This workpaper will become obsolete after roll forward, please see roll forward considerations above.
<b>KBA-301 Worksheet for Determination of Materiality, Performance Materiality, and Thresholds for Trivial Amounts</b>					
Modify	New table, “Describe the users or expected users of the financial statements (e.g., owners, stakeholders, lenders):” that will flow from <b>KBA-200</b> .	Table	Enhancement		
Modify	New column in Step 4: Determination of the Threshold for “Trivial” Amounts for user to document the “Trivial Amount”. User will need to key in the number they would like to use based on the calculations in the table.	Table	Enhancement		User will need to manually key in the “Trivial Amount” column and this column will then flow out to the Materiality Table in many other workpapers.
<b>KBA-302 Understanding the Entity and Its Environment</b>					
Modify	<p>Combined <b>KBA-302</b> and <b>KBA-302N</b> giving the auditor the option to memo or complete the detailed table for each section.</p> <p>User will need to answer Tailoring Question under each section if the user will document the consideration in memo format or complete the detailed table.</p>	Program	Improved Workflow		Information from <b>KBA-302</b> will retain on roll forward except the significant change tables, relevant column in factor tables and findings table if the user uses the default roll forward settings. To retain all the user would need to select to keep all responses on roll forward.

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
					If the user used <b>KBA-302N</b> in the prior year then only Section: Significant Matters or Issues Identified from <b>KBA-302N</b> will be retained on roll forward by using one of the first two roll forward options in the Roll Forward Note above. The other tables in this workpaper will not retain into the new combined version due to how the tables are structured. Please see Roll Forward Note at the top of this file for further information.
Modify	Removed “Section I: Entity Information” to simply the form as information is captured in <b>KBA-200</b>	Procedures	Improved Workflow		
Modify	Removed Columns “Change from Previous Year”, “Procedures We Performed to Gain Our Understanding”, and “Workpaper Reference/Comments” and replaced with text boxes at the end of each section.	Procedures	Improved Workflow		These new tables will retain on roll forward by default.
Modify	<p>Modified factors under “Regulatory Environment”</p> <p>a. Regulatory framework for a regulated industry (e.g. high degree of complex regulation), including regulatory factors relevant to the entity’s accounting estimates, including regulatory frameworks related to prudential supervision (when applicable) and regulatory requirements for disclosures.</p> <p>f. Inquiries into the entity’s operations or financial results by regulatory or government bodies, including reports filed with regulatory agencies, correspondence to/from agencies, and communications regarding noncompliance or possible noncompliance.</p> <p>Removed the following factor: Communication from regulatory agencies regarding noncompliance or possible noncompliance.</p>	Procedures	Clarification		Steps will reset on roll forward due to content changes
Modify	<p>Modified factors under “Business Operations”</p> <p>a. Entity’s management personnel and organizational structure, including individuals responsible for significant areas of the entity’s operations (e.g., financial reporting; marketing and sales; and finance.)</p> <p>i. Alliances, joint ventures, affiliate, reselling, and outsourcing activities.</p> <p>j. Involvement in e-commerce, including Internet sales and marketing activities, with potential cybersecurity risks.</p>	Procedures	Clarification		Steps 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 and Update Content Considerations
	Removed following factors: Going-concern and liquidity issues, including loss of significant customers Purchase commitments Anticipated losses on long-term contracts.				
Modify	New factor: 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.	Procedures	Clarification		
Modify	Removed factors under “Selection and Application of Accounting Principles, Including Related Disclosures (i.e. Financial Reporting)”: Accounting alternatives adopted by the entity (e.g. those provided for private companies). Competencies of personnel involved in selecting and applying significant new or complex accounting principles. Accounts or disclosures for which judgment is used in the application of significant accounting principles, especially in determining management’s estimates and assumptions. Financial reporting standards and laws and regulations that are new to the entity, including when and how the entity will adopt such requirements. Management’s process for making accounting estimates and any changes in that process including the underlying assumptions and any models or experts used. Pending litigation and contingent liabilities (e.g., sales warranties, financial guarantees, and environmental remediation). Procedures for identifying, authorizing, accounting for, and disclosing related-party transactions. Lack of personnel with appropriate accounting and financial reporting skills. Methods used by management in determining segment information (sales, transfers and charges between segments and eliminations of intersegment amounts; comparisons with budgets and other expected results; allocation of assets and costs among segments; consistency with previous periods; and the adequacy of the disclosures for inconsistencies). Other factors considered that affect the nature of the entity.	Procedures	Clarification		
Modify	New factors under “Group-wide Controls”	Procedures	Clarification		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	Group structure—major subsidiaries and associated entities, including consolidated and unconsolidated structures.				
Modify	Modified factors under “Consolidation Process” c. The process for identifying reportable segments and for determining segment information (sales, transfers and charges between segments and eliminations of intersegment amounts; comparisons with budgets and other expected results; allocation of assets and costs among segments; consistency with previous periods; and the adequacy of the disclosures for inconsistencies) for segment reporting, in accordance with the applicable financial reporting framework.	Procedures	Clarification		Step will reset on roll forward due to content changes
Modify	Modified factors under “Measurement and Review of the Entity’s Financial Performance” a. Use of key ratios, trends in financial performance, and operating statistics. Removed the following factors: Trends in the entity’s financial performance. Other factors considered that affect the measurement and review of the entity’s financial performance.	Procedures	Clarification		Step will reset on roll forward due to content changes
Modify	Modified factors under “Subsection 3: Noncompliance with Laws and Regulations” b. Investigation by a governmental agency, an enforcement proceeding, or payment of unusual fines or penalties h. Unusual payments in cash, purchases in the form of cashiers’ checks payable to bearer, or transfers to numbered bank accounts. k. Payments for unspecified services or loans to consultants, related parties, employees, or government officials or government employees. Removed the following factors: Payments of fines or penalties Large and unusual cash transactions Enforcement proceedings. Large and unusual payments to a consultant, affiliate, or employee, including unusually large sales commissions. Purchases of bank cashier’s checks in large amounts that are payable to bearer.	Procedures	Clarification		Steps will reset on roll forward due to content changes
<b>KBA-302N Understanding the Entity and Its Environment: Noncomplex</b>					

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
Obsolete	Obsolete workpaper, see <b>KBA-302</b> for roll forward considerations.				This workpaper will become obsolete after roll forward, please see roll forward considerations above.
<b>KBA-303 Inquiries of Management and Others Within the Entity About the Risks of Fraud and Noncompliance with Laws and Regulations</b>					
Added	Added the following inquiry to all sections: Are you aware of any cybersecurity incidents, either from unintentional events or deliberate actions by insiders or third parties, affecting the entity?	Procedures	Enhancement		
<b>KBA-400 Scoping and Mapping of Significant Account Balances, Classes of Transactions, and Disclosures</b>					
Added	Added new table for findings. All items identified will now flow into this table just like they did in 2019 International title into <b>KBA-103</b> . The user will select in this table whether they will flow the item identified to <b>KBA-103</b> or not. This will cut down on duplicate flow to <b>KBA-103</b> and the user can group the flow to <b>KBA-103</b> .				On roll forward any items identified in the prior binder will flow into this new table and the 2 <sup>nd</sup> column, “Flow to <b>KBA-103</b> ” will be auto populated as “Yes”. This will be done so the user will not lose any flow to <b>KBA-103</b> . The user will need to then decide which items will flow or not flow to <b>KBA-103</b> by changing the response in column 2.
Modify	Under “Table 1: Scoping and Mapping” new audit area “Business Combinations” will be mapped to <b>KBA-411</b> .	Procedures	Improved Workflow		
Modify	New Potential Error Diagnostic that will appear if the user has identified a specific risk in the Risk Pane for a specific audit area but hasn’t identified that audit area in Table 1 has having a “Significant or Fraud Risk”	Diagnostic	Enhancement		
<b>KBA-401 Understanding Entity-Level Controls</b>					
Modify	Combined <b>KBA-401</b> and <b>KBA-401N</b> giving the auditor the option to memo or complete the detailed table for each section.  User will need to answer Tailoring Question under each section if the user will document the consideration in memo format or complete the detailed table.	Program	Improved Workflow		Information from <b>KBA-401</b> will retain on roll forward if the user uses the default roll forward settings except column 7, “Do Compensating Controls Adequately Reduce the Risk of Material Misstatement Created by the Ineffective Design and Implementation of Identified Controls” due to the content changes in this column. To retain all the user would

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
					<p>need to select to keep all responses on roll forward.</p> <p>If the user used <b>KBA-401N</b> in the prior year then each relevant principle table and the conclusion section will retain on roll forward from <b>KBA-401N</b> if one of the first two options in the Roll Forward Note at the top of this file is performed. The “Overall Assessment of the Entity’s System of Internal Control” table will not retain on roll forward. Please see Roll Forward Note at the top of this file for further information.</p>
Modify	<p>Modified headers and related instructions regarding compensating controls.</p> <p><i>Column 4 renamed to “Describe the Established Controls Supporting the Relevant Principles or Point of Focus</i></p> <p><i>Column 6 renamed to “If Column 5 Is “No,” Describe Compensating Controls, If Any</i></p> <p><i>Column 7 renamed to “Do Compensating Controls Adequately Reduce the Risk of Material Misstatement Created by the Ineffective Design and Implementation of Identified Controls?”</i></p> <p><i>Column 8 renamed to “If Column 5 and Column 7 Are, “No” Describe the Risks of Material Misstatement”</i></p> <p><i>Column 10 renamed to “If Column 2, 3, 5, 7, or 9 is “No,” Describe the Deficiency”</i></p>	Table	Clarification		Column 7 will reset on roll forward due to content changes. All other columns will retain on roll forward.
Modify	Removed Columns “Change from Previous Year”, “Procedures We Performed to Gain Our Understanding”, and “Workpaper Reference/Comments” and replaced with text boxes at the end of each section.	Procedures	Improved Workflow		These new tables will retain on roll forward by default.
<b>KBA-401N Understanding Entity-Level Controls: Noncomplex Entities</b>					
Obsolete	Obsolete workpaper, see <b>KBA-401</b> for roll forward considerations.				This workpaper will become obsolete after roll forward, please see roll forward considerations above.
<b>KBA-402 Understanding General Controls for Information Technology</b>					



Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
Modify	Minor wording changes throughout	Workpaper	Clarification		
Modify	<p>Under “Section II: Understanding of IT General Controls for Entities with a Less Complex IT Structure”, added column “If Controls are Not Effectively Designed and Implemented or Are Not Operating Effectively, Describe the Risks of Material Misstatement” and Renamed column, “Are Controls Functioning” to “Are Controls Operating Effectively”</p> <p>This new column will contain a list of risks noted in the engagement and a not applicable option. This is same setup as in <b>KBA-400</b> and KBA-40X series workpapers.</p>	Table	Enhancement		One column is new, but the renamed column will retain on roll forward.
Modify	<p>Under “Program Development and Program Change” Table of “Section III: Understanding of IT General Controls for Entities with a More Complex IT Structure” added steps 5a and 5f, and modified steps 5b and 5c as follows:</p> <ul style="list-style-type: none"> <li>a. Significant system changes are authorized by management.</li> <li>b. Requests for program changes, system changes, and maintenance (including changes to system software) are standardized, documented, and subject to formal change management procedures, including authorization by the appropriate individuals.</li> <li>c. All changes, including emergency change, requests are documented and subject to formal change management procedures.</li> <li>f. Before changes are migrated into the production environment, management ensures they have been adequately tested by the entity’s IT department.</li> </ul>	Procedures	Enhancement		Modified steps will retain on roll forward with default settings.
Modify	Under “Section III: Understanding of IT General Controls for Entities with a More Complex IT Structure” renamed table “Computer Operations and Logical Access to Programs and Data” to “Computer Operations and Logical Access to Networks, Data Centers, Programs, and Data”	Table	Enhancement		
Modify	<p>Under “Computer Operations and Logical Access to Networks, Data Centers, Programs, and Data” Table of “Section III: Understanding of IT General Controls for Entities with a More Complex IT Structure” added steps 6d and 6e as follows:</p> <p>Management has adopted written policies and procedures that address administrative, technical, and physical safeguards for the protection of customer records and information. This includes a formal process for</p>	Procedures	Enhancement		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<p>notifying the appropriate individuals in the event of a breach of customer or firm data.</p> <p>Management has implemented regular risk assessment processes, including vulnerability and penetration testing, with detailed, time-bound follow-up action plans to resolve higher-risk concerns.</p>				
Modify	<p>Under “Computer Operations and Logical Access to Networks, Data Centers, Programs, and Data” Table of “Section III: Understanding of IT General Controls for Entities with a More Complex IT Structure” modified step 7e which now reads as follows:</p> <p>Third-party service contracts address the risks, security controls, and procedures for information systems and networks in the contract between the parties. This includes addressing the vendor’s responsibilities regarding notification to the entity in the event of a breach of customer or firm data.</p>	Procedures	Enhancement		Modified step will retain on roll forward with default settings.
Modify	<p>Under “Computer Operations and Logical Access to Networks, Data Centers, Programs, and Data” Table of “Section III: Understanding of IT General Controls for Entities with a More Complex IT Structure” modified steps 8d, 8f, 8g, 8k, 8m and added steps 8h, 8i, 8n and 8o as follows:</p> <p>d. Procedures exist and are followed to maintain the effectiveness of authentication and access mechanisms (e.g., regular password changes), including password policies that include:</p> <ul style="list-style-type: none"> <li>• A mix of alphabetic, numeric, and special characters</li> <li>• Minimum length</li> <li>• requirements to change periodically</li> </ul> <p>e. Procedures exist and are followed to ensure timely action relating to requesting, establishing, issuing, suspending, and closing user accounts, based on the employee’s job function.</p> <p>f. The entity periodically reviews and confirms access rights to applications and data to help ensure segregation of duties and determine if their access rights are appropriate and/or still required.</p> <p>g. Administrative rights to the network and software programs are reviewed and restricted to authorized individuals.</p> <p>h. Access rights to the network and financial reporting applications are removed or disabled in a timely manner (e.g., at or just before termination) for all terminated employees.</p>	Procedures	Enhancement		Modified steps 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 and Update Content Considerations
	<ul style="list-style-type: none"> <li>k. IT security administration monitors, logs, and reviews regularly security activity, and any identified security violations are reported to senior management.</li> <li>m. The entity has restricted physical access and an appropriate physical environment for key hardware components, such as firewalls, servers, and routers.</li> <li>n. The entity has controls in place to reduce cybersecurity risks and mitigate the associated costs.</li> <li>o. The entity has control procedures in place to properly report any cybersecurity incidents, whether unintentional or from deliberate actions of insiders or third parties.</li> </ul>				
Modify	<p>Under “Computer Operations and Logical Access to Networks, Data Centers, Programs, and Data” Table of “Section III: Understanding of IT General Controls for Entities with a More Complex IT Structure” modified steps 9d which now reads as follows:</p> <p>Management has established procedures across the organization to protect information systems from malware threats, and cyber-related frauds, including spoofed or manipulated electronic communications (e.g. phishing emails).</p>	Procedures	Enhancement		Modified step will reset on roll forward due to content changes.
Modify	<p>Under “Computer Operations and Logical Access to Networks, Data Centers, Programs, and Data” Table of “Section III: Understanding of IT General Controls for Entities with a More Complex IT Structure” modified step 10a which now reads as follows:</p> <p>Management has developed a process (e.g., monitoring software, help desk, user hot line) to ensure that incidents, problems, system failures and errors are identified, recorded, analyzed, and resolved in a timely manner.</p>	Procedures	Enhancement		
Modify	<p>Under “Computer Operations and Logical Access to Networks, Data Centers, Programs, and Data” Table of “Section III: Understanding of IT General Controls for Entities with a More Complex IT Structure” added step 11f as follows:</p> <p>Management has developed and documented a disaster recovery plan, which is periodically reviewed and tested.</p>	Procedures	Enhancement		
<b>KBA-403 Understanding Activity-Level Controls: Revenue, Accounts Receivable, and Cash Receipts through KBA-411 Understanding Activity-Level Controls: Financial Reporting and Closing Process</b>					
Modified	Minor wording changes throughout in instructions	Instructions			

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
<b>KBA-403 Understanding Activity-Level Controls: Revenue, Accounts Receivable, and Cash Receipts</b>					
Added	Under “Steps 4, 5, and 6: Determine What Can Go Wrong, and Identify and Evaluate Controls That Address What Can Go Wrong at the Assertion Level” added subprocesses and related Activity-Level Control Objectives specific to revenue from contracts with customers. Identifying contracts Identifying the performance obligations in the contracts Determining the transaction price in the contracts Allocating the transaction price to the performance obligations in the contracts Recognizing revenue	Procedures	New or Revised Guidance		
<b>KBA-404 Understanding Activity-level Controls: Inventory</b>					
Modified	Modified Activity-Level Control Objective as follows: Inventory measured using the LIFO or retail method is recorded at the lower of cost or net realizable value.	Procedures	Enhancement		Step will reset on roll forward due to content changes
<b>KBA-410 Understanding Activity-Level Controls: Income Taxes</b>					
Modified	Under “Steps 4, 5, and 6: Determine What Can Go Wrong, and Identify and Evaluate Controls That Address What Can Go Wrong at the Assertion Level” added new control objective as follows: The impact of new tax laws has been properly included in the accrual of income taxes, including identification and disclosure of the impact of items where, after a good faith effort, it is not possible to obtain the necessary information to prepare or analyze the effects of the new tax laws in reasonable detail to complete the measurement	Procedures	Enhancement		
<b>KBA-501 Team Discussion and Consideration of the Risks of Material Misstatement</b>					
Modified	Modified instructions to note that engagement team may wish to review <i>KBA-302 Understanding the Entity and Its Environment, KBA-303 Inquiries of Management and Others within the Entity about the Risks of Fraud and Noncompliance with Laws and Regulations</i> , and <i>KBA-401 Understanding Entity-Level Controls</i> before having the engagement team discussion	Instructions	Clarification		
<b>KBA-502 Summary of Risk Assessments</b>					
New	New Potential Error Diagnostic:	Diagnostic			

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<p>If a user adds a specific risk and notes both the Inherent Risk and Control Risk as Low the following diagnostic will appear:</p> <p>You have noted a specific risk related to &lt;Audit Area&gt; with Inherent Risk and Control Risk noted as Low. Are you sure this should be considered a Significant or Fraud Risk.</p>				
New	<p>New Potential Error Diagnostic:</p> <p>If “Does the auditor intend to test the operating effectiveness of internal controls over financial reporting?” is “No”, OR The audit area hasn’t been selected in TQ, “What audit areas, applicable to the engagement, will you be performing tests of the operating effectiveness of controls?” AND User selects Combined for any audit area or risk here.</p> <p>The following diagnostic will appear:</p> <p>You have selected a combined audit approach but you have noted you’re not testing internal controls in <b>AUD-100</b>.</p>	Diagnostic			
<b>KBA-902 Audit Review and Approval Checklist</b>					
Added	<p>Added Section III: Concurring Partner Review</p> <p>Along with new TQ, “Does the engagement require a concurring partner review?” which will flow from <b>AUD-100</b> and will show/hide this section.</p>	Procedures	Enhancement		
<b>KBA-903 Tax Specialist Review Checklist</b>					
Modified	<p>Added link to Summary Checklist of Recent Authoritative U.S. Accounting Standards on ARM.</p>	Instructions	Enhancement		
Added	<p>Added steps 5. 6 and as follows:</p> <p>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 are 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, management’s conclusions over each income tax effect appears to be performed in good faith.</p>	Procedures	Enhancement		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<p>The entity has properly accounted for all income tax effects impacting the current and deferred income taxes payable and/or receivable from newly issued/effective accounting standards.</p> <p>Tax-related financial statement disclosures (e.g., deferred income taxes, temporary differences, adjustment of taxes from prior periods, provisional tax effects of newly enacted tax laws or those not yet determined) are accurate, complete and presented in accordance with the applicable financial reporting framework.</p>				
<b>KBA-905 Review and Approval Checklist: Interim Review of Financial Information</b>					
Added	<p>Added Section III: Concurring Partner Review</p> <p>Along with new TQ, “Does the engagement require a concurring partner review?” which will flow from <b>AUD-100</b> and will show/hide this section.</p>	Procedures	Enhancement		

### 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>					
New	<p>New Tailoring Question, “Has the auditor implemented ISA 540 (Revised) (effective for periods beginning on or after December 15, 2019 with early adoption permitted and encouraged by the IAASB)??”. This TQ will show/hide the question below in AUD-604.</p> <p>If the auditor has adopted ISA 540 (Revised), did management’s expert use information obtained by or through an external information source (e.g. individual or organization)?</p>	TQ	Enhancement		
New	<p>New Tailoring Question, “Does the engagement require a concurring partner review?” that will flow to <b>KBA-902</b> and <b>KBA-905</b>.</p>	Table	Enhancement		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<b>Reminder: See KCO-003 for Show/Hide implication of all TQ's.</b>				
New	New Audit Area, Business Combinations. This was separated out from other Audit Programs and is <i>AUD-822</i> .	Table	Enhancement		
Modified	Audit Area “Journal Entries and Financial Statement Review” has been modified to remove “Financial Statement Review”.  The “Financial Statement Review” has been moved to <i>AUD-909</i> .	Audit Areas	Clarification		The Audit Area “Journal Entries” will be retained on roll forward in your selections in <i>AUD-100</i> and then all flow from there.
New	New Missing Workpaper or Unnecessary Workpaper related to <i>AID-603</i> based on your response to TQ, “Does the entity have multiple components, multiple locations, or segments that are included in the scope of our engagement?”	Diagnostic	Enhancement		
<b>AUD-101 Overall Audit Program</b>					
Modified	Under “Risk Assessment Procedures: Evaluating the Design of Internal Controls” combined steps 3 and 3. Resulting step 2 now reads as follows:  Perform risk assessment procedures to identify and obtain an understanding of, and evaluate the design and implementation of, relevant entity-level controls and the financial reporting process, including controls related to the development of significant financial statement disclosures and the consideration of information technology.  Added Practice Point, “Cybersecurity is one of the principal operation risks facing companies. The need for firms to be vigilant in addressing cybersecurity risk is great. The auditor should evaluate the policies and procedures management has in place to guard against cyber-attacks and the unlawful access to the entity’s customer records and information.”	Procedures	Enhanced Workflow		Steps will retain on roll forward with default settings as a combined step.
Added	Under “Evaluating, Concluding, and Reporting Procedures” added step 37:  If the auditor finds it necessary to modify existing audit documentation or add new audit documentation after the	Procedures	Clarification		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	documentation completion date, document the reason for making the change, and when and by whom the change(s) were made and reviewed.				
<b>AUD-201 Audit Program: Opening Balances and Additional Audit Procedures for an Initial or Reaudit Engagement</b>					
Modified	Under “Opening Balance Procedures” modified 4d to refer to lower of cost and net realizable value as follows:  Observed inventory and made appropriate test counts; performed inventory price tests; identified any excess, slow-moving, or obsolete inventory; performed shipping and receiving cutoff procedures; and considered inventory valuations for lower of cost and net realizable value.	Procedures	New or Revised Guidance	ASU no. 2015-11, <i>Inventory (Topic 330), Simplifying the Measurement of Inventory</i>	Step will retain on roll forward if user selects to keep all responses on roll forward.
Added	Under “Opening Balance Procedures” added 4j and 7:  Verified compliance with restrictive debt covenants and, if necessary, examined waivers of default.  We reviewed the predecessor auditor’s permanent file documents that are pertinent to the audit (such as articles of incorporation, partnership agreements and other significant agreements and legal documents).	Procedures	Enhancement		
<b>AUD-602 Audit Program: Involvement of a Component Auditor</b>					
Modified	Under “General Information” modified 5b to include compliance with ethical requirements as follows:  The ethical requirements relevant to the group audit and, in particular, the independence requirements and a request that the component auditor communicate to us whether the component auditor has complied with ethical requirements relevant to the group audit, including independence and professional competence.	Procedures	Clarification		Step will retain on roll forward if user selects to keep all responses on roll forward.
Added	Under “General Information” added step 8:	Procedures	Clarification		



Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	We reviewed all of the component auditor responses to the requested communications in our instruction letter and noted the following:				
<b>AUD-604 Audit Program: Using the Work of a Management’s Specialist</b>					
Modified	Modified in include information regarding ISA – 540 (Revised).  This includes a new TQ that will flow from AUD-100 and a new question with tables in AUD-604. This table will show/hide based on the new TQ. See KCO-003 for further information.	Table	Enhancement		
<b>AUD-701 Audit Program: Designing Tests of Controls</b>					
Modified	Audit Areas Included row at top of form will now be limited to only audit areas noted in <i>AUD-100</i> under TQ, “What audit areas, applicable to the engagement, will you be performing tests of the operating effectiveness of controls?”	Table	Enhancement		
Modified	Under “Timing of Tests of Controls” modified 9b which now reads as follows:  Updated controls tested at the interim date through the end of the period by extending the test of controls to transactions occurring in the remaining period or obtaining other evidence. In determining the extent of the additional tests needed we considered:  <ol style="list-style-type: none"> <li>(1) The significance of the assessed risks of material misstatement at the relevant assertion level;</li> <li>(2) The specific controls that were tested during the interim period and the results of those tests;</li> <li>(3) The length of the remaining period;</li> <li>(4) The degree to which audit evidence about the operating effectiveness of those controls was obtained;</li> <li>(5) The extent of further planned reductions to substantive procedures based on the reliance on controls;</li> </ol>	Procedures	Clarification		Step will retain on roll forward if user selects to keep all responses on roll forward.

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>(6) The effectiveness of the control environment; and</p> <p>(7) Significant changes to the controls since interim testing, including changes in the information system, processes, and personnel.</p>				
Added	<p>Under “Extent of Tests of Controls” added the following steps:</p> <p>In selecting which internal controls to test for operating effectiveness, we have focused more attention on areas of higher risk and have taken into consideration our assessment of fraud risk (including the risk of management override of other controls).</p> <p>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>	Procedures	Enhancement		
<b>AUD-800 Audit Program: Custom through AUD-822 Audit Program: Business Combinations</b>					
Modified	Minor wording changes throughout				
Modified	<p>Under “Section I: Consideration of Testing the Operating Effectiveness of Internal Controls” modified steps 3 and 4 to refer to the assessed level of control risk rather than control reliance as follows:</p> <p>Our tests of operating effectiveness at <i>AUD-701</i> support our planned assessed control risk.</p> <p>We have considered the assessed level of control risk based on our testing at <i>AUD-701</i> in determining the nature, timing, and extent of substantive procedures to be performed. Such procedures are documented in section III, below.</p>	Procedures	Clarification		Steps will retain on roll forward is user selects to keep all responses on roll forward.
<b>AUD-801 Audit Program: Cash</b>					

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
Modified	Added additional substeps under “Cash Confirmations – Prep” for confirmations received electronically.	Procedures	Enhancement		
<b>AUD-802A Audit Program: Investments in Securities</b>					
Modified	Added additional substeps under “Held by Third Parties” for confirmations received electronically.	Procedures	Enhancement		
<b>AUD-802B Audit Program: Derivative Instruments and Hedging Activities</b>					
Modified	Modified header and step as follows: Derivatives and Hedging – Management’s Estimate We evaluated management’s determination of the fair value of all derivatives, including those that are freestanding, hedging instruments, and embedded features. If applicable, if management has not been able to measure the embedded derivative separately from its host contract, we have evaluated management’s estimate of the entire hybrid (combined) contract at fair value.	Procedures	Clarification		Steps will retain on roll forward is user selects to keep all responses on roll forward.
<b>AUD-803 Audit Program: Accounts Receivable and Revenue</b>					
Added	Added multiple steps that may be performed by the auditor regarding revenue recognition	Procedures	Enhancement	Added	
Modified	Added substep under “Receivables Confirmations” as follows: We identified the appropriate individual, one with adequate knowledge of the information to be confirmed, to receive the confirmation.	Procedures	Clarification		
Modified	Modified step under “Revenue Recognition” as follows: We obtained an understanding of: <ul style="list-style-type: none"> <li>The revenue recognition standards applicable to the type of revenue generated by the entity and whether these standards have been properly applied;</li> <li>Material sources of revenue and sources of revenue entries</li> <li>How transactions and deals are economically structured;</li> <li>How the transaction price is determined, including estimation of variable consideration; and</li> </ul>	Procedures	New or Revised Guidance	ASU No. 2014-09, <i>Revenue from Contracts with Customers</i>	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
	<ul style="list-style-type: none"> <li>How the transaction price is allocated, including determination of stand-alone selling price.</li> </ul>				
Added	<p>Added headers and steps as follows</p> <p><b>Understanding Revenue Streams</b></p> <p>We obtained an understanding of:</p> <ul style="list-style-type: none"> <li>The revenue recognition standards applicable to the type of revenue generated by the entity and whether these standards have been properly applied;</li> <li>Material sources of revenue and sources of revenue entries;</li> <li>How performance obligations are identified by management, including whether the company is acting as a principal or an agent;</li> <li>How transactions and deals are economically structured;</li> <li>How the transaction price is determined, including estimation of variable consideration;</li> <li>How the transaction price is allocated, including determination of stand-alone selling price;</li> <li>How management determined the proper lease classification (operating or financing);</li> <li>How management determines the contract term, including evaluating options to extend;</li> <li>When a performance obligation is satisfied and, thus, the period in which revenue should be recognized; and</li> <li>What assets should be recognized from the costs to obtain or fulfill a contract with a customer (if applicable).</li> </ul> <p><i>AID-302 Understanding the Entity's Revenue Streams and Revenue Recognition Policies</i></p> <p><b>Management's Analysis of Revenue Streams</b></p> <p>We have obtained management's analysis of each revenue stream, portfolio of contracts, and/or individual contracts,</p>	Procedures	New or Revised Guidance	ASC Topic 606	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>including management’s approach to identify separate revenue streams, portfolio of contracts or individual contracts that require analysis under ASC Topic 606 which were considered when determining the transition adjustment.</p> <p><b>Practice Point:</b> Each revenue stream may consist of more than one portfolio of contracts or individual contracts that is evaluated for the impact of the adoption of ASC Topic 606.</p> <p><b>Identify and Understand Revenue Streams</b></p> <p>We have performed procedures necessary to (1) identify separate revenue streams, portfolio of contracts or individual contracts that require analysis under ASC Topic 606, and (2) understand the terms and conditions of each of the revenue streams and/or individual contracts and the accounting policies applied by the entity to determine the completeness of the transition adjustment.</p> <p><b>Application of Five Step Process</b></p> <p>We examined supporting documentation with regard to the five step process for each revenue stream, portfolio of contracts or individual contracts, including the accounting policies applied to each revenue stream and/or individual contracts used to calculate the transition adjustment. We have assessed whether the accounting policies applied are in accordance with the applicable financial reporting framework and whether they appropriately reflect the revenue stream or individual contract terms and conditions.</p>				
<b>AUD-804 Audit Program: Inventories and Cost of Sales</b>					
Modified	<p>Added additional substeps under “Observation Planning” for confirmations received electronically as follows:</p> <p>For confirmations received electronically, we performed and documented the following procedures:</p> <ul style="list-style-type: none"> <li>(1) We verified that the confirmation is received directly from a third-party, authorized respondent.</li> <li>(2) We determined that the confirmation process is secure through the use of means such as the</li> </ul>	Procedures	Enhancement		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	following: (a) encryption; (b) electronic digital signatures; and (c) website authenticity.				
<b>AUD-805 Audit Program: Prepaid Expenses, Deferred Charges, and Other Assets</b>					
Modified	Under “Immaterial Balances” modified substep c to include investigating unusual variances as follows: We compared actual amounts to budgeted amounts and investigated any variances that appeared unusual.	Procedures	Enhancement		Step will retain on roll forward if user selects to keep all responses on roll forward.
Modified	Added additional substeps under “Prepaid Insurance” for confirmations received electronically as follows: For confirmations received electronically, we performed and documented the following procedures: <ol style="list-style-type: none"> <li>(1) We verified that the confirmation is received directly from a third-party, authorized respondent.</li> <li>(2) We determined that the confirmation process is secure through the use of means such as the following: (a) encryption; (b) electronic digital signatures; and (c) website authenticity.</li> </ol>	Procedures	Enhancement		
Modified	Moved step “Deferred Income and Deferred Credits” to <b>AUD-808</b>  Removed related TQ, “Does the entity have any deferred income or other deferred credits that were material to the overall financial statements under audit?”	Procedures	Improved Workflow		
<b>AUD-806 Audit Program: Intangible Assets</b>					
Modified	Modified step under “Management Inquires” as follows: We inquired of management whether all acquired intangible assets, including goodwill, have been reflected as intangible assets in the financial statements.	Procedures	Clarification		Step will rest on roll forward due to content changes.
<b>AUD-807 Audit Program: Property and Equipment, and Depreciation</b>					
Added	Added new Tailoring Question as follows: Does the entity have any capital leases?	Tailoring Questions			

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<b>See KCO-002 for Mark N/A implication of these TQ's.</b>				
Modified	<p>Modified Program step header “Lease Capitalization Testing” to “Lease Classification Testing” and steps as follows:</p> <p>We obtained from the entity a summary of all leases in force and performed the following procedures to determine whether the leases are capital/finance leases or operating leases based on guidance provided in the applicable financial reporting framework:</p> <p>We examined new lease agreements and amendments to existing leases and evaluated whether they are properly accounted for in accordance with the applicable financial reporting framework (e.g., capital leases/finance leases and operating leases).</p> <p>We evaluated both the substance of the transaction and the form of the contract, and evaluated whether a lease that meets the required criteria is classified as a capital lease (finance lease under ASC Topic 842).</p> <p>We considered obtaining confirmations from the lessor of pertinent details of significant lease agreements, including compliance with restrictive covenants (see the sample confirmation request at <b><i>COR-816 Request for Confirmation of Lease Agreement</i></b>).</p> <p>For confirmations received electronically, we performed and documented the following procedures:</p> <p>We verified that the confirmation is received directly from a third-party, authorized respondent.</p> <p>We determined that the confirmation process is secure through the use of means such as the following: (a) encryption; (b) electronic digital signatures; and (c) website authenticity.</p> <p>We reviewed changes to lease provisions for indications of changes in classification and verified whether any such changes and modifications are a separate lease contract or a change in the accounting for the existing lease (i.e., not a separate contract).</p>	Procedures	New or Revised Guidance	ASU No. 2016-02, <i>Leases (Topic 842)</i>	This section will be reset on roll forward due to content changes.
Added	Added the following new sections:				

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p><b>Lease Capitalization Testing</b></p> <p>For leases that meet the criteria for capitalization by the lessee (e.g., capital leases or finance and operating leases that are not considered short-term):</p> <p>We reviewed the reasonableness of the interest rate used to discount the lease obligation.</p> <p>We evaluated whether the entity properly considered direct costs incurred in connection with specific leasing activities, such as negotiating and securing leasing agreements that are directly attributable to activities performed by the lessee in computing the amount of lease cost capitalized.</p> <p>We reviewed the reasonableness of the method and period for amortization.</p> <p>We tested lease payments and apportionment of the payments.</p> <p>We tested the computations of current maturities.</p> <p>We ensured that leases including both land and building elements were assessed separately as to each element, unless classified as an investment property.</p> <p>We ensured that the amount originally recorded was equal to the lower of the fair value of the leased property or the present value of the minimum lease payments valued at the inception of the lease.</p> <p>We considered obtaining confirmations from the lessor of pertinent details of significant lease agreements, including compliance with restrictive covenants (see the sample confirmation request at <i>COR-816 Request for Confirmation of Lease Agreement</i>).</p> <p>We reviewed changes to lease provisions for indications of changes in classification and verified that any such changes were regarded as new agreements over the lease term.</p> <p><b>“Right-of-Use Asset” and “Lease Liability” Under ASC Topic 842 as follows:</b></p> <p>For leases that are classified as finance leases or operating leases and do not meet the criteria for a short-term lease by the lessee:</p>				



Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>We ensured that the entity recognized a lease liability and a right-of-use asset in the financial statements.</p> <p>We tested the entity’s calculation of the lease liability to determine that it is initially measured at the present value of the lease payments discounted using the rate implicit in the lease and, if that rate is not available, that the entity used its incremental borrowing rate.</p> <p>We tested the entity’s calculation of the lease liability to determine that it is subsequently measured by: (i) increasing the carrying amount to reflect interest on the lease liability, and (ii) reducing the carrying amount to reflect the lease payments made.</p> <p>We tested the entity’s calculation of the right-of-use asset to determine that it is initially measured at cost and includes the following: (i) the amount of the initial measurement of the lease liability, (ii) any lease payments made at or before the commencement date, less any lease incentives received, and (iii) any initial direct costs incurred by the lessee.</p> <p>We reviewed the entity’s assessment of whether the right-of-use asset is impaired and whether an impairment loss should be recognized in accordance with ASC Topic 360, Property, Plant, and Equipment.</p>				
<b>AUD-808 Audit Program: Accounts Payable and Purchases</b>					
Modified	<p>Added additional substeps under “Accounts Payable Confirmations” for identifying the appropriate recipient and for confirmations received electronically as follows:</p> <p>We identified the appropriate individual, one with adequate knowledge of the information to be confirmed, to receive the confirmation.</p> <p>For confirmations received electronically, we performed and documented the following procedures:</p> <p>We verified that the confirmation is received directly from a third-party, authorized respondent.</p> <p>We determined that the confirmation process is secure through the use of means such as the following: (a) encryption; (b) electronic digital signatures; and (c) website authenticity.</p>	Procedures	Enhancement		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
Modified	Moved step “Deferred Income and Credits” from <i>AUD-805</i>	Procedures	Improved Workflow		Step will retain from <i>AUD-805</i> on roll forward if user selects to keep all responses on roll forward.
Added	<p>Added practice point, under “Confirming Accounts Payable” as follows:</p> <p><b>Practice Point:</b> Properly controlled electronic confirmations may be considered reliable audit evidence. If using electronic confirmations, the auditor should ensure that a process or mechanism exists to minimize the possibility that the results will be compromised because of interception, alteration, or fraud. The auditor should consider the risk that:</p> <ul style="list-style-type: none"> <li>• The confirmation response might not be from the proper source;</li> <li>• A respondent might not be authorized to respond; and</li> <li>• The integrity of the transmission might have been compromised.</li> </ul> <p>When access codes or information necessary to access the confirming party’s data is provided to the auditor by management, evidence obtained by the auditor from access to such information does not meet the definition of an <i>external confirmation</i>.</p> <p><b>Practice Point:</b> Even though a schedule of confirmation results is prepared, the auditor should retain returned confirmations, as they often serve as significant evidence to the assertions being tested, and seasoned judgment is often needed in evaluating confirmations that identify the nature and extent of exceptions.</p>				
<b>AUD-809 Audit Program: Payroll and Other Liabilities</b>					
Modified	Added additional substeps under “Postemployment Benefits (Including Defined Contribution Plans and Defined Benefit Plans” for confirmations received electronically.	Procedures	Enhancement		
<b>AUD-810 Audit Program: Income Taxes</b>					
Added	<p>Added step under “Income Tax Accruals” as follows:</p> <p>Our understanding of management’s assessment of the entity’s uncertain tax position and the probability that the applicable taxing authority will accept management’s position.</p>				
Modified	Added additional substeps under “Debt Summary and Analysis” for confirmations received electronically.	Procedures	Enhancement		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
<b>AUD-812 Audit Program: Equity</b>					
Modified	Added additional substeps under “Independent Share Records” for confirmations received electronically.	Procedures	Enhancement		
<b>AUD-813 Audit Program: Other Income and Expense</b>					
Modified	Added step, “Costs Incurred to Fulfill a Contract” as follows: We evaluated whether any costs, including incremental costs, incurred to fulfill a contract were appropriately expensed or capitalized in accordance with the applicable financial reporting framework.	Procedures	Clarification		
<b>AUD-814 Audit Program: Journal Entries</b>					
Removed	Removed all Tailoring Questions as none are applicable anymore. These have been moved to <i>AUD-909</i> .	Tailoring Questions			
Modified	Modified step under “Understanding of Journal Entry Process” as follows:  We obtained an understanding of and evaluated the entity’s journal entries, including the following:	Procedures	Enhancement		Step will reset on roll forward due to content changes.
Modified	Modified step under “Testing of Journal Entries and Other Adjustments” as follows:  a. The characteristics of fraudulent entries or adjustments, such as the following: (1) Entries made to unrelated, unusual, or seldom-used accounts; (2) Entries made by individuals who typically do not make journal entries; (3) Duplicate entries; (4) Entries made with little or no explanation or description at period-end (i.e. top-side) or as post-closing entries; (5) Entries made for large amounts (e.g. over performance materiality);	Procedures	Enhancement		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>(6) Entries made before or during the preparation of the financial statements that do not have account numbers;</p> <p>(7) Journal entries that are overly complex (e.g., split over a large number of accounts);</p> <p>(8) Journal entries that do not balance or are missing information;</p> <p>(9) Journal entries with values that are unusually large for a particular account;</p> <p>(10) Journal entries with suspicious descriptions;</p> <p>(11) Journal entries that appear to be missing based on the entity’s numbering system; and</p> <p>(12) Entries that contain round numbers or a consistent ending number.</p> <p><b><i>AID-846 Journal Entry Testing Worksheet</i></b></p>				
Added	<p>Added step “Management Override” as follows:</p> <p>We concluded, based on our journal entry test work, as to whether any evidence of management override exists.</p>	Procedures	Enhancement		
Modified	<p>Modified workpaper name from “Audit Program: Journal Entries and Financial Statement Review” to “Audit Program: Journal Entries” and moved steps related to financial statement review to new <b><i>AUD-909</i></b>. Remaining steps were modified, as needed, to focus on journal entries.</p> <p>Removed the following steps and added them to <b><i>AUD-909</i></b>:</p> <p>Consent to Include Auditor Report in a Filing Information Relating to Previously Reported Financial Statements</p> <p>Summary Financial Statements</p> <p>Management’s Representations</p> <p>The Auditor’s Responsibilities Relating to Other Information</p> <p>Comparability and Consistency</p> <p>Financial Statement Review</p> <p>Implausible or Inconsistent Management’s Responses</p>	Throughout	Improved Workflow		Steps and tailoring questions moved to <b><i>AUD-909</i></b> will be retained from <b><i>AUD-814</i></b> on roll forward if user selects to keep all responses on roll forward.

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	Previously Unrecognized Fraud Risk Propriety of Information Consolidation or Combined Financial Statements Statement of Cash Flows Reading of Financial Statements Management Bias Other Information Published by the Client Other Information Published by the Entity Change in Accounting Principle Recent Accounting Pronouncements Disclosures Testing Analytical Procedures - Documentation				
<b>AUD-815 Audit Program: Related-Party Transactions</b>					
Added	Added step “Understand Management’s Process” that the auditor may choose to perform as follows: 1. We obtained an understanding of and evaluated management’s process for: a. Identifying related parties and relationships and the types of transactions with related parties; b. Authorizing and approving transactions with related parties; and c. Accounting for and disclosing relationships and transactions with related parties in the financial statements.  <b>Practice Point:</b> When making this evaluation, the auditor should take into account all of the information obtained from performing other audit procedures during the audit engagement.	Procedures	Enhancement		
Modified	Added substeps under “Existence of Related Parties” reminding the auditor to communicate related party information with the team and to consider related parties during the risk assessment process as follows:  We communicated with the engagement team members, including other auditors, the names of the related parties and	Procedures	Enhancement		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>the nature of the entity’s relationships and transactions with those related parties.</p> <p>Based on the procedures performed, we identified and assessed the risk of material misstatement associated with related parties and relationships and transactions with related parties; and designed and performed audit procedures to respond to those risks.</p>				
Modified	Added additional substeps under “Related-Party Transactions, identified” for confirmations received electronically.	Procedures	Enhancement		
<b>AUD-816 Audit Program: Fair Value Measurements and Disclosures</b>					
Added	<p>Added step, “Inactive or Illiquid Markets” as follows:</p> <p>If markets are inactive or illiquid, we obtained an understanding of how management selects assumptions and whether management has:</p> <ul style="list-style-type: none"> <li>b. Implemented appropriate policies for adapting the application of the method in such circumstances, such as model adjustments or developing new models that are appropriate in the circumstances;</li> <li>c. Resources with the necessary skills or knowledge to adapt or develop a model, if necessary, including selecting the valuation technique that is appropriate;</li> <li>d. The resources to determine the range of outcomes, given the uncertainties involved;</li> <li>e. The means to assess how, when applicable, the deterioration in market conditions has affected the entity’s operations, environment and relevant business risks and the implications for the entity’s accounting estimates; and</li> <li>f. An appropriate understanding of how the price data, and its relevance, from particular external information sources may vary.</li> </ul>				
Modified	Moved step “Business Combinations” to new program <b>AUD-822.</b>	Procedures	Improved Workflow		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	Move TQ, “Did the entity enter into any business combinations during the audit period?” to <b>AUD-822</b> as well.				
<b>AUD-819 Audit Program: Commitments and Contingencies</b>					
Modified	<p>Modified and added practice point and substeps under “Inquiries of Management and In-House or External Legal Counsel” for additional considerations, including cybersecurity incidents as follows:</p> <p><b>Practice Point:</b> If management alerts the auditor to the exist of guarantees or other contingent liabilities, the auditor may use <b>COR-817, Request for Confirmation of Contingent Liabilities, COR-818, Request for Confirmation of Compensating Balances, and COR-821, Related-Party Confirmation Letter</b> to confirm the material terms.</p> <p>The occurrence of any cybersecurity incidents resulting in litigation, regulatory investigation, or remediation costs.</p> <p>Also added steps regarding confirmations received electronically.</p>	Procedures	Enhancement		
Modified	<p>Removed substep under “Environmental Remediation Liabilities” as follows:</p> <p>Whether the entity is required to have a permit to transport, treat, store, or dispose of any potential environmental hazards.</p>	Procedures	Clarification		
Added	<p>Added steps under “Environmental Remediation Liabilities” as follows:</p> <p>Whether the entity has undergone any cleanup activities on its premises (e.g., tank or pump removal, removal of contaminated soil, installation of new tanks or pumps).</p> <p>Whether the entity has been designated a potentially responsible party (PRP) and the status of such matters.</p> <p>How management monitors claims and assessments, and then estimates its liability for environmental remediation liabilities.</p>	Procedures	Enhancement		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	How management accounts for the costs of environmental remediation efforts.				
<b>AUD-820 Audit Program: Accounting Estimates</b>					
Added	<p>Added following four new Tailoring Questions:</p> <p>Is the entity early implementing ISA 540 (Revised)?  Does the entity have an internal audit function?  Is the expert a management's expert?  Does the entity use service organizations?</p> <p>See <i>KCO-002 Answer Effects for the Program Step Library</i> for Mark N/A function of these new TQs.</p>	Procedures	Enhancement		
Added	<p>Adding the following procedures steps as follows:</p> <p><b>Obtaining an Understanding</b>  We obtained an understanding of the entity's transactions and other events or conditions that may give rise to the need for, or changes in, accounting estimates to be recognized or disclosed in the financial statements.</p> <p><b>Retrospective Review of Significant Accounting Estimates</b>  We performed and documented a retrospective review of significant accounting estimates reflected in the prior year financial statements, or where applicable, their subsequent re-estimation for the purposes of the current period to determine whether there is possible management bias, including those estimates that involve highly sensitive assumptions or judgments made by management.</p> <p><b>Identification of Significant Accounting Estimates (if early implementing ISA 540 (revised))</b></p>				



Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>We identified significant accounting estimates and determined the level of control understanding to be obtained related to the accounting estimates.</p> <p><b>Assessment of RMM, Including Inherent Risk and Control Risk (if early implementing ISA 540 (Revised))</b></p> <p>We separately assessed inherent risk, control risk, and the risk of material misstatement for each accounting estimate including those that have been identified to have significant or fraud risks.</p> <p><b>Practice Point:</b> The auditor should use <i>KBA-502, Summary of Risk Assessment</i>, to document his or her assessments of inherent risk, control risk, and the risk of material misstatement of each accounting estimates, including those that have been identified to have significant or fraud risks.</p>				
	<p><b>Significant Risks or Fraud Risks</b></p> <p>For accounting estimates, for we have identified significant risks or fraud risks, we obtained an understanding of management’s controls, including control activities, relevant to the identified risk.</p> <p><b>Practice Point:</b> The auditor should use <i>KBA-403-411, Activity-Level Control series</i>, to document his or her understanding of the entity’s control activities.</p> <p><b>Internal Audit Function</b></p> <p>We considered whether it is appropriate to use the work of entity’s internal audit function, in obtaining an understanding of:</p> <ol style="list-style-type: none"> <li>a. The nature and extent of management’s use of accounting estimates;</li> <li>b. The design and implementation of control activities that address the risks related to the assumptions and data used to make accounting estimates;</li> </ol>				

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>c. The aspects of the entity’s information system that generate data on which the accounting estimates are based; and</p> <p>d. How new risks relating to accounting estimates are identified, assessed, and managed.</p> <p><b>Management Expert</b> If we have used the work of management’s expert in evaluating accounting estimates, we evaluated the appropriateness of the expert’s work as audit evidence, including evaluating expert’s competence, capabilities, and objectivity.</p> <p><b>Practice Point:</b> The auditor may use <i>AUD-604, Audit Program: Using the Work of a Management’s Expert</i>, to document the procedures performed to evaluate the work of management’s expert. If the auditor needs to engage an auditor’s expert, he or she should refer to <i>AUD-603 Audit Program: Using the Work of an Auditor’s Expert</i>.</p> <p><b>Service Organizations</b> If management has used the services of a service organization in the development of an accounting estimate, we applied the guidance in ISA 402, <i>Audit Considerations Relating to an Entity Using a Service Organization</i>.</p> <p><b>Practice Point:</b> The auditor may use <i>KBA-412, Understanding Controls Maintained by a Service Organization</i>, to evaluate the service organization.</p> <p><b>Disclosures Related to Accounting Estimates</b> We evaluated whether management’s disclosures related to accounting estimates were appropriate in the context of the applicable financial reporting framework.</p> <p><b>Practice Point:</b> The auditor should evaluate all disclosures related to accounting estimates, not just those related to estimation uncertainty.</p> <p><b>Indicators of Management Bias</b></p>				

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>We evaluated whether judgments and decisions made by management are indicative of management bias, even when those individual judgments and decisions appeared reasonable.</p> <p><i>Note:</i> If the estimates in the financial statements are grouped at one end of the range of reasonable estimates in the prior year and are grouped at the other end of the range of reasonable estimates in the current year, the auditor should evaluate whether management is using swings in estimates to achieve an expected or desired outcome, e.g. to offset higher or lower than expected earnings.</p> <p><b>Management Bias Identified</b></p> <p>If we identified management bias, we evaluated the implications for the auditor, including evaluating whether management’s intention was to mislead, which would be indicative of fraud.</p> <p><b>Overall Evaluation</b></p> <p>We evaluated whether:</p> <ul style="list-style-type: none"> <li>a. Our assessments the risk of material misstatement at the assertion level remain appropriate, including when indicators of possible management bias have been identified;</li> <li>b. Management’s decisions relating to the recognition, measurement, presentation and disclosure of accounting estimates in the financial statements are in accordance with the applicable financial reporting framework; and</li> <li>c. Sufficient appropriate audit evidence has been obtained to form our conclusion. In this evaluation, we have evaluated both corroborative and contradictory evidence.</li> </ul> <p><b>Communication with Those Charged With Governance</b></p> <p>We communicated with those charged with governance or with management about certain matters, including significant qualitative aspects of the entity’s accounting practices and</p>				

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>significant deficiencies in internal control (when applicable), including whether we identified matters related to accounting estimates.</p> <p><b>Practice Point:</b> The auditor may use <b>COR-903, Communication with Those Charged With Governance</b> and <b>COR-904, Communication of Significant Deficiencies</b>, as templates for these communications. Significant deficiencies related to accounting estimates might be related to controls over:</p> <ul style="list-style-type: none"> <li>• The selection and application of significant accounting policies, and the selection and application of methods, assumptions, and data.</li> <li>• Risk management and related systems.</li> <li>• Data integrity, including when data is obtained from an external information sources.</li> <li>• The use, development and validation of models, including models obtained from an external source, and any adjustments that may be required.</li> </ul> <p><b>Additional Procedures</b></p> <p>When determined necessary, we performed the following procedures:</p> <ol style="list-style-type: none"> <li>a. Reviewed management’s history of carrying out its stated intentions.</li> <li>b. Inspected written plans and other documentation prepared by management, including items such as, formally approved budgets, authorizations, or minutes</li> <li>c. Inquired of management about its reasons for a particular course of action.</li> <li>d. Evaluated the entity’s ability to carry out a particular course of action given the entity’s economic circumstances, including implications of its existing commitments and legal, regulatory, or contractual restrictions.</li> <li>e. Evaluated the entity’s ability to carry out a particular course of action given the entity’s economic circumstances, including implications of its existing commitments and legal, regulatory, or contractual restrictions.</li> </ol>				

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
<b>AUD-822 Audit Program: Business Combinations</b>					
NEW	Added Audit Program: Business Combinations.	Program	Improved Workflow		
<b>AUD-903 Audit Program: Consideration of Fraud</b>					
Added	<p>Added step under “Communicating Fraud-Related Matters to Management, Those Charged with Governance, and Others” as follows:</p> <p>We determined whether a duty exists to disclose fraud-related matters to parties outside the entity, such as in the following circumstances (<i>Note</i>: This step should be replaced with step 13 below if ISA 250 (Revised) is adopted):</p> <ol style="list-style-type: none"> <li>a. To comply with certain legal or regulatory requirements.</li> <li>b. To comply with the communication requirements of auditing standards when a successor auditor makes inquiries of a predecessor auditor.</li> <li>c. To respond to a subpoena or court order.</li> </ol>	Procedures	Enhancement		
Modified	<p>Modified step under “Communicating Fraud-Related Matters to Management, Those Charged with Governance, and Others” as follows:</p> <p>We have considered whether law, regulation, or relevant ethical requirements establish additional responsibilities under which we are required, or it may be appropriate, to report fraud or suspected fraud to appropriate authorities outside the entity, such as in the following circumstances:</p> <p><b>Practice Point:</b> The IESBA Code states that such reporting to the appropriate authority outside of the entity would not be considered a breach of the duty of confidentiality under the IESBA Code</p> <p><b>Practice Point:</b> The auditor may consider consulting internally (e.g. within the firm or a network firm) or on a confidential basis with a regulator or professional body (unless doing so is prohibited by law or regulation or would breach the duty of confidentiality). The auditor may also consider obtaining legal advice to understand the auditor’s options and the professional or legal implications of taking any particular course of action.</p>	Procedures	Enhancement		Step will retain on roll forward using default settings.

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
<b>AUD-907 Interim Review Program: Review of Interim Financial Information</b>					
Added	<p>Added the following substeps to step 8, as follows:</p> <p>Comparing current interim financial information with anticipated results, such as budgets or forecasts (e.g. comparing tax balances and the relationship between the provision for income taxes to pretax income in the current interim financial information with corresponding information in budgets, using expected rates, and with financial information for prior periods.</p> <p>Comparing ratios and indicators for current interim period with those of entities in the same industry.</p> <p>Comparing relationships among elements in the current interim financial information with corresponding relationships in the interim financial information of period periods.</p> <p>Comparing current interim financial information with relevant non-financial information.</p>	Purpose	Enhancement		
Modified	<p>Under “Procedures” modified step 12d to refer to new standards in general as follows:</p> <p>The entity’s implementation process for new standards and the anticipated effects of the standard on the entity’s financial statements.</p>	Purpose	Enhancement		Step will retain on roll forward if user selects to keep all responses on roll forward.
Modified	Updated Results section to identify modifications to planned interim review procedures rather than modifications to the risk assessment and concluding on the nature and extent of review procedures rather than risk assessment.	Results	Enhancement		Steps will retain on roll forward if user selects to keep all responses on roll forward.
<b>AUD-908 Interim Review Program: Management Inquiries</b>					
Modified	Minor wording changes throughout	Procedures	Clarification		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
Modified	Under “Investments in Debt Securities” modified step 5 which now reads as follows:  Has interest income been properly accrued at the end of the period?	Procedures	Clarification		Step will reset on roll forward due to content changes.
Modified	Under “Long-Term Liabilities” modified step 4 which now reads as follows:  Is the entity in compliance with restrictive covenants of loan agreements, both financial and non-financial?	Procedures	Clarification		Step will retain on roll forward if user selects to keep all responses.
Added	Under “Income and Other Taxes” added steps 8 and 9 as follows:  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?  Have those income tax effects that are considered to be provisional or not capable of reasonable estimate been properly disclosed?	Procedures	Enhancement		
Deleted	Under “Equity” deleted step 8 regarding syndication fees as previous guidance has been removed.	Procedures			
Modified	New Section “Equity – Pass Through Entities  1. 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	Procedures	Enhancement		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>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>2. Have those income tax effects that are considered to be provisional or not capable of reasonable estimate been properly disclosed?</p> <p>3. *Do the entity's governing documents authorize transactions with related parties?</p> <p>4. *Are payments of fees paid to general partners, managing members, trustees, or their affiliates authorized in governing documents or other written agreements?</p> <p>5. Do disclosures related to ownership interests include all applicable provisions of the ownership documents, unusual voting rights, or any other unusual features associated with the ownership interests?</p> <p>6. *Are there any restriction on payment of distributions in any loan documents and of so, is the entity in compliance therewith?</p> <p>7. *Has the entity guaranteed any obligations of related party, partners, members or beneficiaries?</p> <p>8. Has the entity made any acquired any of its partners'/members' ownership interests?</p>				
<b>AUD-909 Audit Program: Financial Statement Review</b>					
NEW	Added Audit Program: Financial Statement Review.	Program	Improved Workflow		All TQs will retain from <i>AUD-814</i> along with many sections from <i>AUD-814</i> .

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

- **AID-701 Audit Sampling Worksheet for Tests of Controls** Updated language below Table 1 to improve usability.
- **AIDs 201, 815, 823, 839** Minor wording changes to improve usability.
- **AID-805 Bank Transfer Schedule** Added column for documenting the reason for the transfer.



- **AID-808 Accounts Receivable: Confirmation Control Summary** Added tab for negative confirmations.
- **AIDs 810, 831** Updated workpaper to provide additional audit evidence
- **AID-814 Accounts Receivable: Allowance for Uncollectible Accounts** Analysis Added section for recovery of previously written off amounts.
- **AID-821 Inventory Analytical Procedures** Added column for “Auditor Expectations and Explanation of Fluctuation”
- **AID-824 Property Additions Analysis** Deleted column “New, Used, or Leased” and added Comments column.
- **AID-834 Analysis of Accrued-Refundable Taxes** Added columns for Federal and State and a section for Changes in Previous Tax Positions.
- **AID-838 Analysis of Equity Accounts** Moved ratio analysis from *AID-841 Payroll and Related Liabilities: Analytical Procedures* and added tab for analysis of equity for an unincorporated entity.
- **AID-841 Payroll and Related Liabilities: Analytical Procedures** Moved ratios to *AID-838 Analysis of Equity Accounts* and replaced with ratios better related to payroll
- **NEW AID-835 Deferred Tax Analysis**
- **NEW AID-846 Journal Entry Testing Worksheet**
- **NEW AID-910 Analytical Procedures: Final Account Balance Analysis**

**Auditor’s Reports (RPTs)** no changes

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

- **CORs 201 Audit Engagement Letter, 202 Engagement Letter for an Interim Review of Financial Information** Moved language regarding nonattest services from the footnote to the body of the letter; added language regarding electronic dissemination of audited financial statements; added a practice point regarding comparative financial statements; and updated footnotes to address sending data using portals and electronic storage of data.
- **COR-813 Request for Confirmation of Notes Payable** Added additional information to be confirmed.
- **CORs 814, 815, 816, 817, 818, 819, 820** Minor wording changes.
- **COR-821 Confirmation of Sales Terms** Minor wording modifications
- **COR-901 Management Representation Letter** Added sample representation regarding collaborative arrangements and accounting estimates.
- **COR-912 Management Letter Comments - Illustration** Updated guidance to discuss alerting clients to new accounting standard updates.
- **NEW COR-901A Management Representation Letter – ISA 540 (R)**

**Resource Documents (RESs)**

- **DELETED RES-024 Special Considerations in Auditing Financial Instruments**

**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:

- ISA 315 (Revised), *Identifying and Assessing the Risks of Material Misstatement*
- ISA 540 (Revised), *Auditing Accounting Estimates and Related Disclosures*

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>KBA</b> s	<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	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-301	Worksheet for Determination of Materiality, Performance Materiality, and Thresholds for Trivial Amounts		
KBA-302	Understanding the Entity and Its Environment		
KBA-303	Inquiries of Management and Others within the Entity about the Risks of Fraud and Non-compliance with Laws and Regulations		
KBA-400	Scoping and Mapping of Significant Account Balances, Classes of Transactions, and Disclosures	X	

<i>Form No.</i>	<i>Form Name</i>	<i>Foundation Workpaper</i>	<i>Association Workpaper</i>
KBA-401	Understanding Entity-Level Controls		
KBA-402	Understanding General Controls for Information Technology		
KBA-403	Understanding Activity-Level Controls: Revenue, Accounts Receivable, and Cash Receipts		
KBA-404	Understanding Activity-Level Controls: Inventory		
KBA-405	Understanding Activity-Level Controls: Property, Plant, and Equipment		
KBA-406	Understanding Activity-Level Controls: Other Assets		
KBA-407	Understanding Activity-Level Controls: Accounts Payable and Cash Disbursements		
KBA-408	Understanding Activity-Level Controls: Payroll and Related Liabilities		
KBA-409	Understanding Activity-Level Controls: Treasury		
KBA-410	Understanding Activity-Level Controls: Taxes		
KBA-411	Understanding Activity-Level Controls: Financial Reporting and Closing Process		
KBA-412	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		

<i>Form No.</i>	<i>Form Name</i>	<i>Foundation Workpaper</i>	<i>Association Workpaper</i>
KBA-904	Audit Documentation Checklist		
KBA-905	Review and Approval Checklist: Interim Review of Financial Information		
<b>AUDs</b>	<b>AUDIT PROGRAMS</b>		
AUD-100	Engagement-Level Tailoring Questions	X	
AUD-101	Overall Audit Program	X	
AUD-201	Audit Program: Opening Balances and Additional Audit Procedures for an Initial or Reaudit Engagement		
AUD-602	Audit Program: Involvement of a Component Auditor		X
AUD-603	Audit Program: Using the Work of an Auditor's Expert		X
AUD-604	Audit Program: Using the Work of a Management's Expert		X
AUD-604A	Audit Program: Using the Work of a Management's Expert (In Accordance With ISA-540R)		
AUD-701	Audit Program: Designing Tests of Controls		
AUD-800	Audit Program: Custom		X
AUD-801	Audit Program: Cash		
AUD-802A	Audit Program: Investments		
AUD-802B	Audit Program: Derivative Instruments and Hedging Activities		

<i>Form No.</i>	<i>Form Name</i>	<i>Foundation Workpaper</i>	<i>Association Workpaper</i>
AUD-803	Audit Program: Accounts Receivable and Revenue		
AUD-804	Audit Program: Inventories and Cost of Sales		
AUD-805	Audit Program: Prepaid Expenses, Deferred Charges, and Other Assets		
AUD-806	Audit Program: Intangible Assets		
AUD-807	Audit Program: Property and Equipment, and Depreciation		
AUD-808	Audit Program: Accounts Payable and Purchases		
AUD-809	Audit Program: Payroll and Related Liabilities		
AUD-810	Audit Program: Income Taxes		
AUD-811	Audit Program: Debt Obligations		
AUD-812	Audit Program: Equity		
AUD-813	Audit Program: Other Income and Expense		
AUD-814	Audit Program: Journal Entries		
AUD-815	Audit Program: Related-Party Transactions		
AUD-816	Audit Program: Fair Value Measurements and Disclosures		
AUD-817	Audit Program: Special-Purpose Entities		

<i>Form No.</i>	<i>Form Name</i>	<i>Foundation Workpaper</i>	<i>Association Workpaper</i>
AUD-818	Audit Program: Share-Based Payments		
AUD-819	Audit Program: Commitments and Contingencies		
AUD-820	Audit Program: Accounting Estimates		
AUD-821	Audit Program: Concentrations		
AUD-822	Audit Program: Business Combinations		
AUD-901	Audit Program: Subsequent Events		
AUD-902	Audit Program: Going Concern		
AUD-903	Audit Program: Consideration of Fraud		
AUD-904	Audit Program: Compliance with Laws and Regulations		
AUD-907	Interim Review Program: Review of Interim Financial Information		
AUD-908	Interim Review Program: Management Inquiries		
AUD-909	Audit Program: Financial Statement Review		
AUD-910	Audit Program: Specific Element, Account, or Item of a Financial Statement		
<b>AIDs</b>	<b>PRACTICE AIDs</b>		
AID-201	Non-Assurance Services Independence Checklist		

<i>Form No.</i>	<i>Form Name</i>	<i>Foundation Workpaper</i>	<i>Association Workpaper</i>
AID-302	Understanding the Entity's Revenue Streams and Revenue Recognition Policies		
AID-601	Considering the Use of the Work of Internal Auditors		
AID-603	Component Identification and Analysis		
AID-702	Results of Tests of Controls		
AID-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.

<i>Workpaper Requiring Association</i>	<i>What is it associated with?</i>		
	<i>Workpaper</i>	<i>Table/Question</i>	<i>Association Item (Custom Value)</i>
KBA-412 Understanding Ctrl: Service Org (Custom)	AUD-100 Engagement-Level Tailoring Questions Workpaper	Does the entity use service organizations? 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 Engagement-Level Tailoring Questions Workpaper	Does the auditor plan to rely on audit evidence provided by a component auditor? is "Yes" Shows the "Document the audit evidence provided by the component auditor(s) that the engagement team will rely on in our engagement." table in KBA- 101 Overall Audit Strategy.	
	KBA-101 Overall Audit Strategy	Document the audit evidence provided by the component auditor(s) that the engagement team will rely on in our engagement.	Audit Firm Name
AUD-603 Audit Program: Auditor's Expert (Custom)	AUD-100 Engagement-Level Tailoring Questions Workpaper	Does the auditor intend to use a expert on this engagement? is "Yes" Shows the "Document the expected use of a expert(s) on our audit." table in KBA-101 Overall Audit Strategy.	
	KBA-101 Overall Audit Strategy	Document the expected use of a expert(s) on our audit. Then select Auditor's Expert from the Type of Expert Column	Expert Firm Name
AUD-604 Audit Program: Management's Expert (Custom)	AUD-100 Engagement-Level Tailoring Questions Workpaper	Does the auditor intend to use a expert on this engagement? is "Yes" Shows the "Document the expected use of a expert(s) on our audit." table in KBA-101 Overall Audit Strategy.	
	KBA-101 Overall Audit Strategy	Document the expected use of a expert(s) on our audit. Then select Management's Expert from the Type of Expert Column.	Expert Firm Name
AUD-800 Audit Program: (Custom)	AUD-100 Engagement-Level Tailoring Questions Workpaper	What financial statement audit areas are applicable to this engagement? "Customize Audit Area" link within the answer selection box.	Custom Audit Area