

# 2020 NONTRADITIONAL ENGAGEMENTS 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™ Nontraditional Engagements* reflects current accounting authoritative literature including AICPA Auditing Standards Board (ASB) Statements on Standards for Attestation Engagements (SSAEs), *Government Auditing Standards* (GAGAS, or the Yellow Book); QC Section 10, *A Firm's System of Quality Control*; and the revised AICPA Code of Professional Conduct (Code), including the provisions of ET Section 1.295, *Nonattest Services*. This edition of the tools has been updated to provide guidance to practitioners performing engagements under the 2018 revision of the yellow book (effective for attestation engagements for periods ending on or after June 30, 2020) as well as practitioners who choose to implement SSAE-19, *Agreed-Upon Procedures Engagements* and/or SSAE-20, *Amendments to the Description of the Concept of Materiality*, early. SSAE-19 is effective for agreed-upon procedures reports dated on or after July 15, 2021 and SSAE-20 is effective for examination or review reports dated on or after December 15, 2020. Both standards allow for early implementation. The 2020 tools include many tips and examples, as well as links to specific guidance that provides instant access to detailed analysis related to the steps and processes discussed in the workpapers.

### Knowledge-Based Attestation Documents (KBAs):

| Title  | Type of Change | Description of Change   | Location   | Based on Standard Y/N   | Standard Reference                                 | Roll Forward and Update Content Considerations |
|--|----------------|---|------------|-------------------------|--|--|
| <b>KBA-201 Attestation Client/Engagement Acceptance Form</b> |                |   |            |                         |  |  |
| Exam   | Modified       | Adding two new TQs, both flow from ATT-100:<br>Is this engagement to be conducted in accordance with GAGAS?<br>Is the engagement for the period ending on or after June 30, 2020?<br>Review KCO-003 for functioning of these TQs. | TQs        |                         |  |  |
| Exam, Review, AUP  | Modified       | Updated for the 2018 Revisions of the Yellow book (for attestation engagements for periods ending on or after June 30, 2020)  | Procedures | New or Revised Guidance | <i>Government Auditing Standards 2018 Revision</i> |  |
| AUP  | Modified       | Adding two new TQs, both flow from ATT-100:   | TQs        |                         |  |  |

| Title   | Type of Change | Description of Change   | Location     | Based on Standard Y/N   | Standard Reference                                 | Roll Forward and Update Content Considerations   |
|---|----------------|---|--------------|-------------------------|--|--|
|   |                | Is this engagement to be conducted in accordance with GAGAS?<br>Is the engagement performed AFTER implementation of SSAE-19, Agreed-Upon Procedures Engagement?<br>Review KCO-003 for functioning of these TQS.   |              |                         |  |  |
| AUP   | Modified       | Added sections to accommodate users who want to early implement SSAE-19.  | Procedures   | New or Revised Guidance | SSAE-19, <i>Agreed-Upon Procedures Engagements</i> |  |
| <b>KBA-501 Risk Assessment and Attest Program: Examination-Level Engagement</b> |                |   |              |                         |  |  |
| Exam  | Modified       | Under “Section 3—Part A: Further Attest Procedures in the Form of Tests of the Operating Effectiveness of Internal Control” modified steps 2 and 3 to refer to the assessed level of control risk rather than control reliance as follows:<br><br>2. Our tests of operating effectiveness of controls support our planned assessed control risk.<br><b>If Yes</b> , tested controls may be relied upon in the assessment of control risk and the development of further substantive attest procedures.<br><b>If No</b> , return to Section 2 and assess control risk at the level supported by the results of the control testing; then consider the effect on the design of substantive attest procedures.<br><br>3. We have considered the assessed level of control risk based on our testing of the operating effectiveness of controls in determining the nature, timing, and extent of substantive procedures to be performed. Such procedures are documented in Section 3, Part B below. | Procedures   | Clarification           |  | Steps will retain on roll forward if user selects to keep all responses on roll forward. |
| <b>KBA-902 Attestation Engagement Documentation Checklist</b>                   |                |   |              |                         |  |  |
| Exam, Review, AUP   | Modified       | Multiple new practice points:<br><br><b>Practice Alert:</b> In December 2019, the AICPA Auditing Standards Board (ASB) release Statement on Standards for Attestation Engagements (SSAE) No. 19, <i>Agreed-Upon Procedures Engagements</i> . The standard supersedes AT-C section 215, <i>Agreed Upon Procedures Engagements</i> , and  | Instructions | Y                       | SSAE No. 19<br>2018 Yellow Book                    |  |

| Title | Type of Change | Description of Change   | Location | Based on Standard Y/N | Standard Reference | Roll Forward and Update Content Considerations |
|-------|----------------|---|----------|-----------------------|--------------------|--|
|       |                | <p>amends certain provisions in AT-C section 105, <i>Concepts Common to All Attestation Engagements</i>.</p> <p>SSAE 19 provides flexibility to practitioners performing agreed-upon procedures engagements by:</p> <ul style="list-style-type: none"> <li>● Removing the requirement that the practitioner request an assertion from the responsible party.</li> <li>● Allowing procedures to be developed over the course of the engagement.</li> <li>● Allowing the practitioner to develop or assist in developing the procedures.</li> <li>● No longer requiring intended users to take responsibility for the sufficiency of the procedures and instead requiring the engaging party to simply acknowledge the appropriateness of the procedures prior to the issuance of the practitioner's report.</li> <li>● Permitting the practitioner to issue a general-use report.</li> </ul> <p>SSAE-19 is effective for agreed-upon procedures reports dated on or after July 15, 2021. Early implementation is permitted. This form has been updated to accommodate users implementing SSAE-19.</p> <p><b>Practice Alert:</b> In July 2018, the AICPA Accounting and Review Service Committee issued proposed Statement on Standards for Attestation Engagements, <i>Revisions to SSAE No. 18, Clarification and Recodification</i>. A portion of the exposure draft was finalized in SSAE-19 (see practice point above). If the remainder of the exposure draft were adopted as written, the most significant changes would change "review engagement" to "limited assurance" engagement and more explicitly describe the types of procedures a practitioner may perform in these engagements. This includes the requirement to identify areas in which a material misstatement of the subject matter is likely to arise and determining if additional procedures are necessary. Substantial changes to the report are also included.</p> <p>The exposure draft had recommended an effective date for reports dated on or after May 1, 2020. Early implementation would not be permitted.</p> <p><b>Practice Alert:</b> In June 2018, The GAO issued <i>Government Auditing Standards 2018 Revision</i> (the 2018 revision of the Yellow Book). The updated document has been completely revised differentiating requirements and application guidance in a</p> |          |                       |                    |  |

| Title | Type of Change | Description of Change   | Location | Based on Standard Y/N | Standard Reference | Roll Forward and Update Content Considerations |
|-------|----------------|---|----------|-----------------------|--------------------|--|
|       |                | <p>similar manner to the AICPA's codification of auditing standards and the AICPA's <i>Code of Professional Conduct – Revised</i>. Ethical principles and independence requirements are combined into a single chapter (Chapter 3). Supplemental guidance from the appendix of the 2011 revision has been removed. Other major changes to Chapter 3 include:</p> <ul style="list-style-type: none"> <li>• The independence requirements of the auditor when the engaging party differs from the responsible party are further explained and examples of when this could occur are provided.</li> <li>• Guidance is added to address situations in which government auditors work in conditions that do not permit independence. A modified GAGAS compliance statement may be applicable in such cases.</li> <li>• Standards are expanded to require that, as part of applying the conceptual framework, auditors reevaluate threats to independence whenever the audit organization becomes aware of new information or changes in facts and circumstances.</li> <li>• Guidance related to professional services in government is further explained and examples of when this could occur are provided.</li> <li>• Guidance now makes it clear that an auditor preparing financial statements in their entirety creates a significant threat to independence.</li> </ul> <p>Other major changes include:</p> <ul style="list-style-type: none"> <li>• Transitions the requirements for abuse from the current standards, along with a new concept of waste, to application guidance related to findings.</li> <li>• A new format that differentiates requirements from application guidance;</li> <li>• Revised peer review requirements for audit organizations; and</li> <li>• Updated internal control guidance for performance audits.</li> </ul> <p>The 2018 revision of the Yellow Book is effective for attestation engagements for periods ending on or after June 30, 2020. Early implementation is not permitted.</p> |          |                       |                    |  |

| Title | Type of Change | Description of Change  | Location   | Based on Standard Y/N   | Standard Reference                          | Roll Forward and Update Content Considerations   |
|-------|----------------|--|------------|-------------------------|---|--|
| Exam  | Modified       | <p>Modified steps 1b(3), 19 and 20 as follows:</p> <p>Consideration of management’s ability to effectively oversee a nonattest service to be provided; and</p> <p>To the extent applicable, the attest documentation includes justification for any departure from a presumptively mandatory requirement of the applicable attestation standards or requirements (including GAGAS, if applicable), and how the alternative procedures performed were sufficient to achieve the objectives of the presumptively mandatory requirement.</p> <p>For examination engagements conducted in accordance with GAGAS, we documented any departures from GAGAS requirements and the impact of such departure(s) on the engagement and our conclusions.</p> |            |                         |   | All steps will retain on roll forward if user selects to keep all responses on roll forward. |
| AUP   | Modified       | <p>Added step to accommodate users who want to early implement SSAE-19.</p> <p>For agreed-upon procedures engagements performed in accordance with SSAE-19, we obtained written agreement and acknowledgment from the engaging party regarding the appropriateness of the procedures performed for the intended purpose of the engagement.</p>   | Procedures | New or Revised Guidance | SSAE-19, Agreed-Upon Procedures Engagements |  |

**Attestation Programs (ATTs):**

| Title   | Type of Change | Description of Change  | Location | Based on Standard Y/N | Standard Reference | Roll Forward Considerations |
|---|----------------|--|----------|-----------------------|--------------------|-----------------------------|
| <b>ATT-100 Overall Engagement-Level Tailoring Questions</b> |                |  |          |                       |                    |                             |
| Exam  | Modified       | Added new TQ, review KCO-003 for functioning: Is the engagement for the period ending on or after June 30, 2020? | TQ Table |                       |                    |                             |
| AUP   | Modified       | Adding two new TQs, both flow from ATT-100: Is the engagement for the period ending on or after June 30, 2020?   | TQ Table |                       |                    |                             |

| Title   | Type of Change | Description of Change   | Location   | Based on Standard Y/N   | Standard Reference                                 | Roll Forward Considerations   |
|---|----------------|---|------------|-------------------------|--|---|
|   |                | Is the engagement performed AFTER implementation of SSAE-19, Agreed-Upon Procedures Engagement?<br>Review KCO-003 for functioning of these TQS.   |            |                         |  |   |
| <b>ATT-101 Overall Attestation Program through ATT-116 Overall Attestation Program: Examination-Level Engagement on Cybersecurity Risk Management Program</b>   |                |   |            |                         |  |   |
| Exam, AUP, Review   | Modified       | Updated for the 2018 Revisions of the Yellow book (for attestation engagements for periods ending on or after June 30, 2020)  | Procedures | New or Revised Guidance | <i>Government Auditing Standards 2018 Revision</i> |   |
| <b>ATT-103 Overall Attestation Program: Agreed-Upon Procedures Engagement, ATT-106 Overall Attestation Program: Agreed-Upon Procedures Engagement on Prospective Financial Statements, and ATT-111 Overall Attestation Program: Agreed-Upon Procedures Engagement on an Entity's Compliance with Specified Requirements</b> |                |   |            |                         |  |   |
| AUP   | Modified       | Added sections and modifying steps to accommodate users who want to early implement SSAE-19.  | Procedures | New or Revised Guidance | SSAE-19, <i>Agreed-Upon Procedures Engagements</i> | Modified steps will retain on roll forward if user selects to keep all responses on roll forward.   |
| <b>ATT-401 Understanding Entity-Level Controls</b>  |                |   |            |                         |  |   |
| Exam  | Modify         | Combined <i>ATT-401</i> and <i>ATT-401N</i> giving the auditor the option to memo or complete the detailed table for each section.<br><br>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 <i>ATT-401</i> 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 need to select to keep all responses on roll forward.<br><br>If the user used <i>ATT-401N</i> in the prior year then each relevant principle table and the conclusion section will retain on roll forward from <i>ATT-401N</i> if one of the first two options in the Roll Forward Note at the top of this file is |

| Title   | Type of Change | Description of Change   | Location   | Based on Standard Y/N | Standard Reference | Roll Forward Considerations   |
|---|----------------|---|------------|-----------------------|--------------------|---|
|   |                |   |            |                       |                    | 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. |
| Exam  | Modify         | Modified headers and related instructions regarding compensating controls.<br><i>Column 4 renamed to “Describe the Established Controls Supporting the Relevant Principles or Point of Focus</i><br><i>Column 6 renamed to “If Column 5 Is “No,” Describe Compensating Controls, If Any</i><br><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><br><i>Column 8 renamed to “If Column 5 and Column 7 Are, “No” Describe the Risks of Material Misstatement”</i><br><i>Column 10 renamed to “If Column 2, 3, 5, 7, or 9 is “No,” Describe the Deficiency”</i> | Table      | Clarification         |                    | Column 7 will reset on roll forward due to content changes. All other columns will retain on roll forward.  |
| Exam  | Modify         | Removed Columns “Change from Previous Year”, “If Significantly Changed from the Previous Year, the Nature of the Change”, “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     |                    |   |
| <b>ATT-401N Understanding Entity-Level Controls: Non Complex Entities</b> |                |   |            |                       |                    |   |
| Exam  | Obsolete       | Obsolete workpaper, see <b>ATT-401</b> for roll forward considerations.   |            |                       |                    | This workpaper will become obsolete after roll forward, please see roll forward considerations above.   |
| <b>ATT-402 Understanding General Controls For Information Technology</b>  |                |   |            |                       |                    |   |
| Exam  | Modify         | Minor wording changes throughout  | Workpaper  | Clarification         |                    |   |
| Exam  | Modify         | Under “Section II: Understanding of IT General Controls for Entities with a Less Complex IT Structure”, added   | Table      | Enhancement           |                    |   |

| Title | Type of Change | Description of Change   | Location   | Based on Standard Y/N | Standard Reference | Roll Forward Considerations |
|-------|----------------|---|------------|-----------------------|--------------------|-----------------------------|
|       |                | column “If Controls are Not Effectively Designed and Implemented or Are Not Operating Effectively, Describe the Risks of Material Misstatement”   |            |                       |                    |                             |
| Exam  | 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> </ul> <p>All changes, including emergency change, requests are documented and subject to formal change management procedures.</p> | Procedures | Enhancement           |                    |                             |
| Exam  | 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           |                    |                             |
| Exam  | 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> <ul style="list-style-type: none"> <li>a. 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 notifying the appropriate individuals in the event of a breach of customer or firm data.</li> </ul>  | Procedures | Enhancement           |                    |                             |



| Title | Type of Change | Description of Change   | Location   | Based on Standard Y/N | Standard Reference | Roll Forward Considerations |
|-------|----------------|---|------------|-----------------------|--------------------|-----------------------------|
|       |                | 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.  |            |                       |                    |                             |
| Exam  | 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           |                    |                             |
| Exam  | 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> | Procedures | Enhancement           |                    |                             |

| Title | Type of Change | Description of Change  | Location   | Based on Standard Y/N | Standard Reference | Roll Forward Considerations |
|-------|----------------|--|------------|-----------------------|--------------------|-----------------------------|
|       |                | <ul style="list-style-type: none"> <li>g. Administrative rights to the network and software programs are reviewed and restricted to authorized individuals.</li> <li>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.</li> <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> </ul> <p>The entity has control procedures in place to properly report any cybersecurity incidents, whether unintentional or from deliberate actions of insiders or third parties.</p> |            |                       |                    |                             |
| Exam  | 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           |                    |                             |
| Exam  | 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</p>  | Procedures | Enhancement           |                    |                             |

| Title   | Type of Change | Description of Change  | Location   | Based on Standard Y/N   | Standard Reference                                   | Roll Forward Considerations   |
|---|----------------|--|------------|-------------------------|--|---|
|   |                | incidents, problems, system failures and errors are identified, recorded, analyzed, and resolved in a timely manner.   |            |                         |  |   |
| Exam  | Modify         | 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:<br>Management has developed and documented a disaster recovery plan, which is periodically reviewed and tested.   | Procedures | Enhancement             |  |   |
| <b>ATT-403 Understanding Activity-Level Controls: Revenue, Accounts Receivable, and Cash Receipts</b> |                |  |            |                         |  |   |
| Exam  | 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 ASC Topic 606.   | Procedures | New or Revised Guidance | ASC Topic 606, Revenue from Contracts with Customers |   |
| <b>ATT-404 Understanding Activity Level Controls: Inventory</b>                                       |                |  |            |                         |  |   |
| Exam  | Modified       | Modified Activity-Level Control Objectives to remove duplicative objective regarding FIFO and average cost methods and added objective regarding LIFO and retail methods.  | Procedures | Enhancement             |  | Step will retain on roll forward if user selects to keep all responses on roll forward. |
| <b>ATT-409 Understanding Activity Level Controls: Treasury</b>  |                |  |            |                         |  |   |
| Exam  | Modified       | Minor wording changes  | Procedures |                         |  |   |
| <b>ATT-410 Understanding Activity Level Controls: Income Taxes</b>                                    |                |  |            |                         |  |   |
| Exam  | 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:<br>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             |  |   |

**Consulting Programs (CONs):**

| Type of Change  | Description of Change   | Location | Based on Standard Y/N | Standard Reference | Roll Forward Considerations |
|---|---|----------|-----------------------|--------------------|-----------------------------|
| <b>CON-101 Overall Engagement Program: Due Diligence Engagement – Buyer’s Assistance</b>  |   |          |                       |                    |                             |
| New   | Added program for due diligence consulting engagement where the potential buyer is the client.          |          |                       |                    |                             |
| <b>CON-102 Overall Engagement Program: Due Diligence Engagement – Seller’s Assistance</b> |   |          |                       |                    |                             |
| New   | Added program for due diligence consulting engagement where the potential seller is the client.         |          |                       |                    |                             |
| <b>CON-103 Findings Summary: Consulting Engagement</b>                                    |   |          |                       |                    |                             |
| New   | Added program to summarize findings in a consulting engagement.   |          |                       |                    |                             |
| <b>CON-104 Overall Engagement Program: Risk Assessment Engagement</b>                     |   |          |                       |                    |                             |
| New   | Added program for risk assessment consulting engagement.  |          |                       |                    |                             |
| <b>CON-105 Risk Assessment Engagement: Risk Identification and Prioritization Form</b>    |   |          |                       |                    |                             |
| New   | Added program for identifying and prioritizing risks in a risk assessment consulting engagement.        |          |                       |                    |                             |
| <b>CON-106 Overall Engagement Program: ElderCare Services Engagement</b>                  |   |          |                       |                    |                             |
| New   | Added program for ElderCare services engagement.  |          |                       |                    |                             |
| <b>CON-107 ElderCare Services Engagement: Client/Service Recipient Information Form</b>   |   |          |                       |                    |                             |
| New   | Added program for documenting client/service recipient information in an ElderCare services engagement. |          |                       |                    |                             |

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

- **AID-101 Overall Engagement Strategy** New practice point regarding SSAE No. 20, Minor wording changes.
- **AID-201 Nonattest Services Independence Checklist** Added practice alert regarding PEECs *Proposed Interpretation of the AICPA Code of Professional Conduct: Staff Augmentation Arrangements (ET sec. 1.295.157)*; Modified column header in Section III to address both threats and safeguards; Updated for the 2018 Revision of the Yellow Book with modified and new steps and 1 new TQ that will flow from ATT-100. Added new flow of columns, “Nature of Other Services” and “Firm Personnel Overseeing the Service” from AID-101 Overall Examination Engagement Strategy.
- **AID-302 Inquiries of Management and Others Within the Entity About the Risks of Fraud and Noncompliance with Laws and Regulations** Added inquiries regarding cybersecurity.
- **AID-701 Sampling Worksheet for Tests of Controls** Modified wording related to Population Tables 1 and 2

- **AID-702 Designing Tests of Controls** Modified wording in first step under Nature of Tests of Controls and step 5b under Timing of Tests of Controls
- **AIDs 903, 906, 908, 911, 914** Updated for the 2018 Revision of the Yellow Book
- **AID 905 Report Preparation Checklist: Agreed-Upon Procedures Attestation Engagement** Updated for SSAE-19, *Agreed-Upon Procedures Engagement*, including a new TQ.

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

- **CORs 201 - 208** Moved language regarding nonattest services from the footnote to the body of the letter; added a practice point regarding comparative financial statements; and updated footnotes to address sending data using portals and electronic storage of data.
- **CORs 201, 202, 204, 207-208** Added language regarding electronic dissemination of the practitioner's report; added a practice point regarding comparative financial statements.
- **CORs 212 - 214** Updated footnotes to address sending data using portals and electronic storage of data.
- **NEW CORs 203A, 205A, 206A, 903A, 905A, 907A, 910A** for engagements that have early adopted SSAE-19, *Agreed-Upon Procedures Engagements*

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

- **NEW RPTs 930A, 931A, 932A, 933A, 949A, 950A, 994A, 995A** for engagements that have early adopted SSAE-19, *Agreed-Upon Procedures Engagements*

**Resource Documents (RESs)** significant changes to the Resource documents include:

- **RES-001 Knowledge-Based Nontraditional Engagements Methodology Overview** modified and updated as appropriate.
- **RES-002 Index of Attestation Programs, Forms, and Other Practice Aids** modified and updated as appropriate.
- **RES-006 Sample Process Narrative** Updated controls to specify investigation of unexpected results
- **RESs 009, 010, 011, 015, 016** Updated consistent with related KBA
- **RES-019 Determination of Materiality and Thresholds for Trivial Amounts** Added practice point regarding SSAE-20, *Amendments to the Description of the Concept of Materiality*
- **RES-QCN Meeting Quality Control Standards Using Knowledge-Based Nontraditional Engagements Tools** Added practice point about audit quality indicators.

**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:

- AICPA Auditing Standards Board (ASB) Statements on Standards for Attestation Engagements (SSAE) No. 20, *Attestation Standards: Amendments to the Description of the Concept of Materiality*
- 2018 Revision of *Government Auditing Standards* (GAGAS, or the Yellow Book, effective for attestation engagements for periods ending on or after June 30, 2020)
- QC Section 10, *A Firm's System of Quality Control*
- the revised AICPA Code of Professional Conduct (Code), including the provisions of ET Section 1.295, *Nonattest Services*

## 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>   |
|-----------------|---|-------------------------------|
| <b>KBA</b> s    | <b>KNOWLEDGE-BASED ATTESTATION DOCUMENTS</b>  |                               |
| KBA-101         | Findings Summary and Report Conclusions Worksheet: Examination-Level and Review-Level Engagements | X                             |
| KBA-102         | Findings Summary: Agreed-Upon Procedures Engagement   | X                             |
| KBA-200         | Entity Information and Background   | X in Exam and Review Packages |
| KBA-201         | Attestation Client/Engagement Acceptance Form   |                               |
| KBA-501         | Risk Assessment and Attest Program: Examination-Level Engagement                                  | X                             |
| KBA-502         | Attest Program: Review-Level Engagement   | X                             |
| KBA-901         | Engagement Review and Approval Checklist  |                               |
| KBA-902         | Attestation Engagement Documentation Checklist  |                               |
| <b>ATT</b> s    | <b>ATTESTATION PROGRAMS</b>   |                               |
| ATT-100         | Engagement-Level Tailoring Questions  | X                             |

| <i>Form No.</i> | <i>Form Name</i>   | <i>Foundation Workpaper</i> |
|-----------------|--|-----------------------------|
| ATT-101         | Overall Attestation Program: Examination-Level Engagement  |                             |
| ATT-102         | Overall Attestation Program: Review-Level Engagement   |                             |
| ATT-103         | Overall Attestation Program: Agreed-Upon Procedures Engagement   |                             |
| ATT-104         | Overall Attestation Program: Examination-Level Engagement on Prospective Financial Statements  |                             |
| ATT-105         | Overall Attestation Program: Compilation Engagement on Prospective Financial Statements  |                             |
| ATT-106         | Overall Attestation Program: Agreed-Upon Procedures Engagement on Prospective Financial Statements   |                             |
| ATT-107         | Overall Attestation Program: Examination-Level Engagement on Pro Forma Financial Information   |                             |
| ATT-108         | Overall Attestation Program: Review-Level Engagement on Pro Forma Financial Information  |                             |
| ATT-109         | Overall Attestation Program: Engagement to Report on the Effectiveness of an Entity's Internal Control over Financial Reporting or Management's Written Assertion (Integrated with an Audit of Financial Statements) |                             |
| ATT-110         | Overall Attestation Program: Examination-Level Engagement on an Entity's Compliance with Specified Requirements  |                             |
| ATT-111         | Overall Attestation Program: Agreed-Upon Procedures Engagement on an Entity's Compliance with Specified Requirements   |                             |
| ATT-112         | Overall Attestation Program: Examination-Level Engagement on Management's Discussion and Analysis  |                             |
| ATT-113         | Overall Attestation Program: Review-Level Engagement on Management's Discussion and Analysis   |                             |
| ATT-114         | Overall Attestation Program: Examination-Level Engagement on Sustainability Information  |                             |
| ATT-115         | Overall Attestation Program: Review-Level Engagement on Sustainability Information   |                             |

| <i>Form No.</i> | <i>Form Name</i>  | <i>Foundation Workpaper</i> |
|-----------------|---|-----------------------------|
| ATT-116         | Overall Attestation Program: Examination Level Engagement on Cyber Security Risk Management Program |                             |
| ATT-301         | Understanding the Subject Matter  |                             |
| ATT-401         | Understanding Entity-Level Controls: Complex Entities   |                             |
| ATT-401N        | Understanding Entity-Level Controls: Noncomplex Entities  |                             |
| ATT-402         | Understanding General Controls for Information Technology   |                             |
| ATT-403         | Understanding Activity-Level Controls: Revenue, Accounts Receivable, and Cash Receipts              |                             |
| ATT-404         | Understanding Activity-Level Controls: Inventory  |                             |
| ATT-405         | Understanding Activity-Level Controls: Property, Plant, and Equipment                               |                             |
| ATT-406         | Understanding Activity-Level Controls: Other Assets   |                             |
| ATT-407         | Understanding Activity-Level Controls: Accounts Payable and Cash Disbursements                      |                             |
| ATT-408         | Understanding Activity-Level Controls: Payroll and Other Liabilities                                |                             |
| ATT-409         | Understanding Activity-Level Controls: Treasury   |                             |
| ATT-410         | Understanding Activity-Level Controls: Income Taxes   |                             |
| ATT-411         | Understanding Activity-Level Controls: Financial Reporting and Closing Process                      |                             |
| ATT-412         | Evaluation of Management's Description of the Entity's Cybersecurity Risk Management Program        |                             |



| <i>Form No.</i> | <i>Form Name</i>  | <i>Foundation Workpaper</i>   |
|-----------------|---|-------------------------------|
| ATT-902         | Attestation Program: Subsequent Events  |                               |
| <b>CONs</b>     | <b>CONSULTING PROGRAMS</b>  |                               |
| CON-100         | Engagement-Level Tailoring Questions  | X                             |
| CON-101         | Overall Engagement Program: Due Diligence Engagement – Buyer’s Assistance   |                               |
| CON-102         | Overall Engagement Program: Due Diligence Engagement – Seller’s Assistance  |                               |
| CON-103         | Findings Summary: Consulting Engagement   | X                             |
| CON-104         | Overall Engagement Program: Risk Assessment Engagement  |                               |
| CON-106         | Overall Engagement Program: ElderCare Services Engagement   |                               |
| <b>AIDs</b>     | <b>PRACTICE AIDS</b>  |                               |
| AID-101         | Overall Examination or Review Engagement Strategy   | X in Exam and Review Packages |
| AID-201         | Nonattest Services Independence Checklist   |                               |
| AID-302         | Inquiries of Management and Others within the Entity about the Risks of Fraud and Noncompliance with Laws and Regulations |                               |
| AID-601         | Considering the Use of the Work of Internal Auditors or Other Responsible Party Personnel                                 |                               |
| AID-604         | Using the Work of a Practitioner’s Specialist   |                               |
| AID-605         | Using the Work of a Management’s Specialist   |                               |

| <i>Form No.</i> | <i>Form Name</i>                                     | <i>Foundation<br/>Workpaper</i> |
|-----------------|--|---------------------------------|
| AID-606         | Involvement of an Other Practitioner                 |                                 |
| AID-702         | Designing Tests of Controls                          |                                 |
| AID-802         | SWOT Analysis Worksheet: Risk Assessment Engagements |                                 |
| AID-901         | Differences of Professional Opinion                  |                                 |