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FINANCIAL EDUCATORS

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COURSE INFORMATION

Course Title: *Practice Issues: Compilation and Review Update #312718*

[Including SSARS Nos. 21-23]
(Item 31 and 31-E)

Recommended number of continuing education credit hours for this course:

In accordance with the standards of the National Registry of CPE Sponsors, CPE credits have been granted based on a 50-minute hour.

CPA: 20 (All states)

National Registry of CPE Sponsors ID Number: 107615.

Sponsor numbers for states requiring sponsor registration:

Florida Division of Certified Public Accountancy: 4761 (Ethics #11467)

Hawaii Board of Public Accountancy: 14003

New York State Board of Accountancy: 002146

Ohio State Board of Accountancy: M0021

Texas State Board of Accountancy: 009349

Course Description

The objective of this course is to inform the reader of the various changes made to the compilation and review standards by the AICPA's Accounting and Review Services Committee (ARSC), and to address practice issues related to compilation and review engagements.

Section I of this course consists of an overview of SSARS No. 21, as amended by SSARS No. 23, *Omnibus Statement on Standards for Accounting and Review Services- 2016*. The course addresses the three types of engagements that can be performed under the SSARSs: a preparation of financial statements engagement, a compilation engagement, and a review engagement. The course also discusses SSARS No. 22, *Compilation of Pro Forma Financial Information*.

Section II consists of practice issues in compilation and review engagements. Topics include a discussion of an accountant's responsibility for fraud, internal control and going concern, representation letters for review engagements, personal financial statements, tax-basis financial statements, legends on financial statements, accountant's liability in compilation and review engagements, saving time in engagements, and more. The focus of the course is to identify, recognize and recall the rules pertaining to various pronouncements, including those related to recent developments

Program Delivery Method: QAS Self-Study (interactive)

Subject Codes/Field of Study: Auditing

Course Level, Prerequisites, and Advance Preparation Requirements

Level: Overview. This program is appropriate for professionals at all organizational levels.

Prerequisites: General understanding of compilation and review standards.

Advance Preparation: None

Course Content

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Final Exam (online): One hundred questions (multiple choice)

Instructions for taking this course

A passing grade of at least 70% is required on the final exam for this course. The exam may be retaken if not passed on the first attempt (no charge).

Complete the course by following the learning objectives listed on the following page and studying the review questions after each major section (or chapter) in the text. Once you are confident that the learning objectives have been met, answer the final exam questions (online).

Instructions for Taking the Final Exam Online

- Login to your account online at www.bhfe.com.
- Go to "My Account" and view your course.
- Select "Take Exam" for this course and follow instructions.

Have a question? Call us at 800-588-7039 or email us at contact@bhfe.com.

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LEARNING OBJECTIVES

- Identify some of the changes in SSARS No. 21, as amended by SSARS No. 23, that are and are not carried over from auditing standards
- Recognize engagement types that are and are not part of SSARS No. 21
- Recall whether the AR-C 70 preparation of financial statements standard is an attest or nonattest service
- Recall what must happen for an accountant to perform a preparation of financial statements engagement
- Recall whether a preparation engagement under AR-C 70 is subject to peer review
- Identify whether a report is required in a preparation of financial statements engagement under AR-C 70
- Recognize what the reporting requirements are, if any, when a "no assurance" legend is omitted from prepared financial statements under AR-C 70
- Identify where to disclose GAAP departures in a preparation of financial statements engagement
- Recognize whether an accountant and his or her client must sign an engagement letter for a preparation of financial statements engagement under AR-C 70
- Recall the objective of a compilation engagement under AR-C 80 of SSARS No. 21

- Identify some procedures that must be performed in a compilation engagement under AR-C 80 of SSARS No. 21
- Recognize some of the documentation requirements in a compilation engagement
- Identify how an accountant should report on a disclaimer of supplementary information in a compilation engagement
- Identify requirements to be satisfied to perform a review engagement under AR-C 90
- Identify evidence an accountant should obtain to demonstrate that financial statements reconcile with accounting records
- Recognize an appropriate title that can be used for a review report under SSARS No. 21
- Identify the order in which certain report paragraphs should be placed in the SSARS No. 21 review report
- Recall some of the items that should be documented in a review engagement
- Recognize the effective dates of SSARS No. 21 including early implementation options

After reading the Section II course material, you will be able to:

- Identify the reporting options for controllers who seek to issue financial statements
- Recognize the accountant's responsibility for reporting fraud in compilation and review engagements
- Identify factors that may or may not suggest there is a potential going concern problem in a compilation or review engagement
- Recognize the threshold to evaluate an Altman Z Score
- Identify an example of a deferred M-1 that is eliminated by tax-basis financial statements
- Recognize some of the general rules for tax-basis financial statements
- Identify the options available to report on supplementary information in a compilation or review engagement
- Recognize the general disclosure rules when issuing a compilation report on a specified element
- Identify when a management representation letter is required and some general rules pertaining to such letters
- Identify a prescribed form and the options for reporting on personal financial statements
- Recognize some of the recurring deficiencies noted in peer reviews
- Identify examples of simpler reporting options to full GAAP financial statements
- Identify provisions to incorporate into engagement letters to protect the accountant against liability claims
- Recognize the general rules to maintain independence when an accountant performs non-attest services for an attest client
- Identify when independence is impaired in certain situations in which an accountant performs non-attest services for an attest client
- Recognize the privity standard as it relates to the accountant's liability to third parties

ABOUT THE AUTHOR

STEVEN C. FUSTOLO, CPA

Mr. Fustolo is a partner with the Boston CPA firm of James J. Fox & Company. He is a frequent lecturer and author of numerous tax and accounting issues affecting closely held businesses. An AICPA author, Mr. Fustolo's articles are regularly featured in *The Practical Accountant* and other publications. He is the author of *Practice Issues: Compilation and Review*, *Accounting and Auditing Reference Guide*, *Everything You Never Wanted to Know About GAAP*, *Enron: Fraud, Deception and the Aftermath*, *FASB Review for Industry*, *FASB*,

SSARS and SAS Update and Review, and Making Money with Special Engagements, Current Developments: Accounting and Financial Reporting, and numerous other books and manuals that have been published by Practitioners Publishing Company (PPC), Thomson Reuters, AICPA, and Commerce Clearing House (CCH). He is the recipient of several Outstanding Discussion Leader awards from many professional organizations including the New York and Florida Societies of CPAs. Mr. Fustolo's course entitled *FASB, SSARS and SAS Update and Review* continues to receive accolades and is regarded as one of the top live CPE programs in the country today with ratings that average 4.91 on a scale of 5.0. He speaks regularly for professional groups including being a guest lecturer at the AICPA Advanced Accounting and Auditing Technical Symposium. Mr. Fustolo is the recipient of the Elijah Watts Sells Award (AICPA) and Silver Medal (Massachusetts) for highest scores received on the CPA Examination.

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