



BEACON HILL

FINANCIAL EDUCATORS

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COURSE INFORMATION

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

[Including SSARS Nos. 21-24]

(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

Pennsylvania Board of Accountancy: PX178025

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*, and SSARS No. 24, *Omnibus Statement on Standards for Accounting and Review Services- 2018*. 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

Publication/Revision date: 4/4/2019

Author: Steven C. Fustolo, CPA

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

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

- 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 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 the AR-C 70 standards
- 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 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 and should not be documented in a review engagement

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 the period of time that defines "reasonable period of time" in going concern
- 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.

Table of Contents

I. SSARS No. 21-24: The Compilation and Review Standards	12
A. Issued	12
B. Effective Date	12
C. Objective	12
D. Background.....	12
AR-C Section 60- <i>General Principles for SSARSs</i>	21
A. Introduction.....	21
B. Key Changes Made in AR-C 60	22
C. Requirements for Performing SSARS Engagements.....	22
REVIEW QUESTIONS.....	27
AR-C Section 70- <i>Preparation of Financial Statements</i>	29
A. Effective Date	29
B. Introduction.....	29
C. Scope of AR-C 70	29
D. Summary of a Preparation of Financial Statements Engagement.....	31
E. General Rules-Preparation of Financial Statements Engagement Under AR-C 70.....	33
F. Specific Rules for Preparing Financial Statements per AR-C 70.....	35
G. Documentation in a Preparation Engagement	44
H. Engagement Letter- Preparation of Financial Statements Engagement	44
I. Illustrative Financial Statements- AR-C 70	50
REVIEW QUESTIONS.....	56
AR-C Section 80- <i>Compilation Engagements</i>	61
A. Introduction.....	61
B. Effective Date	63
C. Scope of AR-C 80- Compilation Engagements	63
D. Objective of a Compilation Engagement.....	65
E. Definitions.....	66
F. Requirements- Compilation Engagements- AR-C 80	67
G. Engagement Letter- Compilation.....	68
H. Understanding of the Entity’s Financial Reporting Framework- Compilation Engagement	73
I. Compilation Procedures	73
J. The Accountant’s Compilation Report	74
K. Elimination of Management-Use Only Financial Statements	87
L. Examples of the Accountant’s Compilation Reports on Financial Statements.....	88

M. Documentation in a Compilation Engagement	97
N. Change from an Audit or Review Engagement to a Compilation Engagement	97
REVIEW QUESTIONS.....	98
AR-C Section 90: <i>Review of Financial Statements</i>	103
A. Introduction.....	103
B. Effective Date	103
C. Scope of AR-C 90- Review Engagements	103
D. Objective.....	104
E. Requirements for Performing a Review Engagement Under AR-C 90	104
F. Engagement Letter- Review Engagement	106
G. Communication with Management and Those Charged with Governance	110
H. Understanding of the Industry	111
I. Knowledge of the Entity.....	112
J. Designing and Performing Review Procedures	112
K. Analytical Procedures	113
L. Inquiries of Members of Management	114
M. Reading the Financial Statements	116
N. Using the Work of Other Accountants	116
O. Reconciling the Financial Statements to the Underlying Accounting Records.....	116
P. Evaluating Evidence Obtained from the Procedures Performed.....	116
Q. Materiality.....	117
R. Written Representations in a Review Engagement.....	118
S. Reporting on Reviewed Financial Statements.....	127
T. Review Documentation	144
AR-C Section- <i>Special Considerations—International Reporting Issues</i>	145
REVIEW QUESTIONS.....	153
II. Practice Issues- Part 1	158
A. Controllers Issuing Financial Statements	158
B. Distributing Draft Financial Statements	171
C. Consideration of Fraud in a Compilation and Review Engagement.....	172
D. Analytical Procedures in a Review Engagement.....	184
E. Using Staff in a Compilation or Review Engagement	187
F. Titles on Compilation and Review Reports- SSARS No. 21	187
G. Legends on Compiled or Reviewed Financial Statements	188
H. Going Concern: Compilation and Review Engagements	191
I. Responsibility for Incomplete Information- Compilation Engagement.....	212

REVIEW QUESTIONS.....	214
J. Using Tax-Basis Financial Statements for Engagement Profitability.....	221
K. Miscellaneous Practice Issues.....	257
L. Communications Between Predecessor and Successor Accountants.....	301
M. Selected Information- Substantially All Disclosures Required by Accounting Principles Generally Accepted in the United States of America Are Not Included.....	310
N. Gathering Review Evidence Under SSARS No. 21	314
REVIEW QUESTIONS.....	319
O. Responsibility for Materiality in a Compilation and Review Engagement.....	326
P. Restricting the Use of an Accountant’s Compilation or Review Report.....	327
Q. Reporting of Specified Elements, Accounts, or Items of a Financial Statement.....	330
R. Management Representation Letter- Review Engagement.....	340
S. Applicability of Auditing Standards to the SSARSs.....	355
T. Reconciling the Financial Statements to the Underlying Accounting Records	356
REVIEW QUESTIONS.....	357
III. Practice Issues- Part 2.....	362
A. Personal Financial Statements and Prescribed Forms	362
B. Financial Statements Submitted Electronically	378
REVIEW QUESTIONS.....	380
C. Peer Review Standards.....	383
D. GAAP Hierarchy: Compilation and Review	394
REVIEW QUESTIONS.....	398
E. Simplifying the Reporting Process.....	403
F. Squeezing the Heck Out of a Review Engagement: The 25-Hour Review.....	413
G. Designing Effective Engagement Letters	422
H. Liability to Accountants Who Perform Bookkeeping Services.....	438
I. Risk of Open-Ended and Multi-Year Engagement Letters	444
J. Avoid Being Sued and Increase Billing-The Likeability and Communication Factors.....	445
K. Definition of a Financial Statement Versus Trial Balance	447
L. Reporting on a Tax Return.....	451
M. Emphasis-of-Matter and Other-Matter Paragraphs in a Compilation Report on Financial Statements That Omit Substantially All Disclosures.....	456
REVIEW QUESTIONS.....	458
N. Ethics and Independence Rule Changes	463
O. Responsibility to Third Parties: The Privity Standard	539
P. Providing Records to a “Dead-Beat” Client.....	542

Q. Number of Days Test on Trade Receivables	544
REVIEW QUESTIONS.....	547
Index	554
Glossary	555