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## COURSE INFORMATION

**Compilation and Review Standards: SSARS Nos. 21 -25** # 313121

### Recommended CPE credit hours recommended for this course

In accordance with the standards of the Certified Financial Planner Board of Standards, Inc. the National Registry of CPE Sponsors, and the Internal Revenue Service, CPE credits have been granted based on a 50-minute hour.

**CPA** 12 (Accepted in 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 State Board of Public Accountancy 14003

New York State Board of Accountancy (for ethics): 002146

Ohio State Board of Accountancy: M0021

Pennsylvania Board of Accountancy: PX178025

Texas State Board of Accountancy: 009349

### Course Description

The purpose of this course is to inform the reader of the various changes made to the compilation and review codification by SSARS No. 21 as amended by SSARS No. 22, *Compilation of Pro Forma Financial Information*, 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*, and SSARS No. 25, *Materiality in a Review of Financial Statements and Adverse Conclusions*.

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.

**Program Delivery Method:** Self-Study (NASBA QAS Self-Study/Interactive)

**Subject Codes/Field of Study:** NASBA (CPA): Auditing

### Course Level, Prerequisites, and Advance Preparation Requirements

Program Level: NASBA (CPA), Overview

This program is appropriate for professionals at all organizational levels.

Prerequisites: General understanding of compilation and review and auditing standards

Advance Preparation: None

### Course Content

Publication/Revision Date: 2/4/2021.

Author: Steven C. Fustolo, CPA, MBA.

Final Exam (online): Sixty questions (multiple choice)

## Instructions for taking this course

**Note:** Download and save the PDF of this course to your computer to enable the search function (Menu: Edit>Find) and bookmarks (icon on left side of document window) for easier navigation.

You must complete this course within one year of the date of purchase (if you do not complete the course within one year, contact us to determine whether an updated edition of the course is available, in which case we will provide you with a PDF of the updated course and the online exam at no charge).

A passing grade of at least 70% is required on the final exam for this course. You may retake the exam if you do not pass it on the first attempt (no charge).

Complete the course by following the learning objectives listed on the following page, studying the text, and studying the review questions at the end of each major section (or at the end of the course). Once you have completed studying the course and 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](http://www.bhfe.com).
- Go to "My Account" and view your course.
- Select "Take Exam" for this course and follow instructions.

#### Additional Information

- The exam may be started, stopped, then resumed at a later date.
- The exam is "open book," it is not timed, and it may be retaken if not passed on the first attempt (no charge).
- Results (correct, incorrect answers) and certificate appear immediately upon passing the exam.

**Have a question?** Call us at 800-588-7039 or email us at [contact@bhfe.com](mailto:contact@bhfe.com).

## 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 have been featured in *The Practical Accountant* and other publications. He is the author of numerous books and publications including: *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*, *Current Developments: Accounting and Financial Reporting*, *Making Money with Special Engagements*, *Understanding the Variable Interest Entity Rules*, *FASB, SSARS and SAS Update and Review*, *Tax Basis Accrual Financial Statements*, *Accounting for the New Lease Standard*, and numerous other books and manuals that have been published by Practitioners Publishing Company (PPC) and Commerce Clearing House (CCH.) Mr. Fustolo's recent best-selling courses entitled *The Impact of the Tax Cuts and Jobs Act on GAAP and Financial Reporting*, *Implementing the New Revenue Standard (ASC 606)- Guidance for Private Companies*, and *Accounting and Financial Reporting for COVID-19 and the CARES Act*, have received accolades from the financial media. Mr. Fustolo 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 be 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 scores received on the CPA Examination.

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## LEARNING ASSIGNMENTS AND OBJECTIVES

(Table of Contents follows the Learning Objectives.)

After reading the Sections I and II course material, you will be able to:

- Identify some of the changes in SSARS No. 21, as amended, that are and are not carried over from auditing standards
- Identify engagement types that are and are not authorized under SSARS No. 21

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

- Recall whether the preparation of financial statements standard is an attest or nonattest service
- Recognize the term that is assigned to engagements performed on the cash, tax and regulatory bases of accounting
- 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
- Recognize an acceptable location in which to place the description of a special purpose framework in a preparation of financial statements engagement
- Identify where to disclose GAAP departures in a preparation of financial statements engagement
- Recognize whether an accountant and a client must sign an engagement letter for a preparation of financial statements engagement under AR-C 70

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

- Recall the objective of a compilation engagement under AR-C 80 of SSARS No. 21
- Identify some of the safeguards that must be in place in order for an accountant to perform a nonattest service for an attest client
- Identify some procedures that must be performed in a compilation engagement under AR-C 80 of SSARS No. 21
- Recognize some of the changes made to the compilation report under SSARS No. 21 including those related to special purpose frameworks and GAAP departures, among others
- Identify how an accountant should report on a disclaimer of supplementary information in a compilation engagement

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

- Recognize the type of information on which an accountant may or may not perform a review engagement under AR-C 90
- Identify requirements to be satisfied to perform a review engagement under AR-C 90
- Identify the date as of which management representations should be made in a management representation letter for a review engagement
- 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 review report
- Recognize the definition of a reasonable period of time in evaluating going concern
- Recognize how to report in a review engagement per SSARS No. 25, when there is or is not substantial doubt of an entity's ability to continue as a going concern
- Recall some of the items that should be documented in a review engagement

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

- Identify one of the requirements in SSARS No. 24 when reporting on an international financial reporting framework

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