

Reviews and Compilations Update
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TIERS OF CONCERN IN PERFORMING ACCOUNTING SERVICES

TIER 1

Provide service that meets client needs

Imposes commitment to excellence

TIER 2

Litigation

Imposes prudence

TIER 3

Peer review

Imposes discipline

1. Highlights of SSARS 21

a. General principles (Section 60)

- i. *Effective date*: for engagement periods ending on or after December 15, 2015, early implementation permitted
- ii. *Financial Statements*: are those of the entity; SSARS do not impose responsibilities on management; SSARS do not override laws and regulations governing management responsibilities
- iii. Comply with relevant *Ethical Requirements*
- iv. Exercise *Professional Judgment* in the performance of an engagement in accordance with SSARS
- v. *Conduct of the Engagement*: Review, compilation, and financial statement preparation engagements must be performed in accordance with SSARS; comply with all AR-C sections relevant to the engagement; have an understanding of the entire text of an AR-C section
- vi. *Engagement Level Quality Control*:
 1. Engagement partner should possess the competence and capabilities to perform the engagement and competence in financial reporting
 2. Engagement partner responsible for
 - a. Overall quality of the engagement
 - b. Direction, supervision, planning and performance of the engagement
 - c. Accountant's report being appropriate in the circumstances
 - d. Engagement performed in accordance with firm's quality control policies and procedures
 - e. Engagement documentation
 - f. Communicate promptly to the firm any information obtained after engagement acceptance that would have caused the firm to decline the engagement
 - g. Compliance with relevant ethical requirements
 - h. Considering monitoring process information that may affect the engagement
- vii. *Acceptance and Continuance of Client Relationships and Engagements*
 1. Criteria for declining an engagement
 2. Conditions for accepting an engagement
- viii. *Defining requirements*:
 1. *Unconditional requirements*. Must comply; "must" indicates an unconditional requirement
 2. *Presumptively mandatory requirements*. Must comply, except in rare circumstances as indicated in paragraph .16; "should" indicates a presumptively mandatory requirement

b. Introduction to financial statement preparation engagements (Section 70)

- i. *Objective: to prepare financial statements pursuant to a specified financial reporting framework*
- ii. AR-C 70 applies when an accountant in public practice is engaged to prepare financial statements. The new standard is *engagement driven*, meaning that the accountant is required to comply with AR-C 70's requirements only when he or she has been engaged to prepare financial statements.
- iii. AR-C 70 does not apply when the accountant prepares financial statements
 1. And is engaged to perform an audit, review, or compilation of those financial statements
 2. Solely for submission to taxing authorities
 3. For inclusion in written personal financial plans prepared by the accountant
 4. In conjunction with litigation services that involve pending or potential legal or regulatory proceedings
 5. In conjunction with business valuation services
- iv. A nonattest service, does not require a determination as to independence
- v. No requirement to verify the accuracy or completeness of the information provided by management, to express an opinion or conclusion or otherwise report on the financial statements
- vi. *Performance Requirements: comply with Section 60 General Principles*
 1. Acceptance and continuance – follow Section 60 General Principles
 2. Agreement on engagement terms with management or those charged with governance – documented in an engagement letter or other suitable form of written agreement signed by the accountant and management or those charged with governance; see paragraph .10 for items to be included
 3. Obtain an understanding of the financial reporting framework (cash, tax, GAAP, etc.) and significant accounting policies
 4. Preparing the financial statements
 - a. Use information provided by management
 - b. Include on each page of the financial statements a statement that “no assurance is provided” on the financial statements (if the accountant is unable to include a statement on each page of the financial statements, either issue a disclaimer—which is a sort of report (paragraph .A12)—or perform a compilation engagement); statement made at management’s discretion, accountant’s name not required to be included; examples paragraph .A11:
 - i. No assurance is provided on these financial statements.

- ii. These financial statements have not been subjected to an audit or review or compilation engagement, and no assurance is provided on them.
 - iii. Other statements that convey that no assurance is provided
 - c. When financial statements are prepared in accordance with a special purpose framework, include a description of the financial reporting framework on the face of the financial statements or in a note to the financial statements
 - d. If the accountant becomes aware that any of the information used in the preparation of the financial statements is incomplete, inaccurate, or otherwise unsatisfactory, should bring that to the attention of management and request additional or corrected information
 - e. If the financial statements contain a known departure or departures from the applicable financial reporting framework, disclose the material misstatement or misstatements either on the face of the financial statements or in a note to the financial statements
- 5. Financial statements that omit substantially all disclosures required by the applicable financial reporting framework:
 - a. Disclose the omission on the face of the financial statements or in a selected note to the financial statements
 - b. Should not prepare statements that omit substantially all disclosures if aware that omission was undertaken with the intention of misleading users
 - c. May prepare financial statements that include disclosures about only a few matters in the notes to the financial statements, labeled “Selected Information—Substantially All Disclosures Required by [the applicable financial reporting framework] Are Not Included”
- 6. Documentation in sufficient detail to provide a clear understanding of the work performed, at a minimum:
 - a. the signed engagement letter or other suitable form of written documentation with management
 - b. a copy of the financial statements prepared
 - c. If accountant departs from a relevant presumptively mandatory requirement, must document justification for the departure and how alternative procedures performed were sufficient to achieve the intent of the requirement
- vii. Illustrative engagement letter – paragraph .A20 Exhibit
- viii. Peer review? AICPA Peer Review Program Questions and Answers About the AICPA Peer Review Program Update No. 15 January 2016, page 4: Does my firm have to enroll in a peer review program if the only engagements it performs are engagements to prepare financial statements

under AR-C section 70? No, a firm that only performs engagements to prepare financial statements under AR-C section 70 is not required to enroll in a peer review program. For firms already enrolled in the AICPA Peer Review Program, engagements to prepare financial statements would fall within the scope of peer review.

c. Reviews (Section 90)

- i. *Objective: **To obtain limited assurance as a basis for reporting whether the accountant is aware of any material modifications that should be made to the financial statements for them to be in accordance with the applicable financial reporting framework***, primarily through the performance of inquiry and analytical procedures
- ii. *Performance and reporting requirements*
 1. Independence
 2. Consideration of acceptance and continuance of client relationships, including obtaining management's acknowledgment of, and understanding of, its responsibilities
 3. Agreement on engagement terms – documented in an engagement letter or other suitable form of written agreement, signed by accountant and management or those charged with governance (paragraph .11 lists items that should be included in the engagement letter; paragraph .A145 has illustrative engagement letter)
 4. Communication with management and those charged with governance – matters that merit attention
 5. Possess or obtain an understanding of the industry in which the entity operates, including the accounting principles and practices generally used in the industry sufficient to enable the accountant to review the financial statements
 6. Knowledge of the entity's business and accounting principles and practices used by the entity – accountant should be alert to accounting policies and procedures that are unusual
 7. Design and perform analytical procedures, make inquiries, perform other procedures to obtain limited assurance . . . (see *Objective* above) based on accountant's
 - a. Understanding of the industry
 - b. Knowledge of the entity
 - c. Awareness of risk of unknowingly failing to modify the review report for material misstatement
 8. Perform analytical procedures
 - a. Should include
 - i. Comparing financial statements with prior period
 - ii. Considering relationships among both financial and nonfinancial information
 - iii. Comparing recorded amounts or ratios to expectations developed

- iv. Comparing disaggregated revenue data as applicable
 - b. Should also
 - i. Determine suitability of procedures
 - ii. Consider reliability of data
 - iii. Develop an expectation of recorded amounts or ratios and evaluate whether expectation is sufficiently precise
 - iv. Determine amount of difference that is acceptable without further investigation (see paragraph .A4 on materiality) – PPC recommends “materiality NOT BE DOCUMENTED”
 - c. Investigate results
 - i. Inquire of management
 - ii. Perform other procedures as necessary
- 9. Inquiries of management
 - a. Paragraph .22 lists inquiries that should be made
 - b. Consider reasonableness of responses – not required to corroborate management’s responses
- 10. Read the financial statements and consider whether any information indicates that the financial statements do not conform to the applicable financial reporting framework
- 11. Obtain and read reports from other accountants who issued a report on the financial statements of significant components
- 12. Obtain evidence that the financial statements agree with or reconcile to the accounting records
- 13. Accumulate and evaluate misstatements identified in the financial statements, request that management consider the effect of any unsatisfactory information on the financial statements and whether material misstatement is indicated, perform additional procedures deemed necessary to obtain limited assurance that the financial statements are in accordance with the applicable financial reporting framework, and evaluate whether sufficient appropriate **review evidence** has been obtained
- 14. Request written representations from management for all financial statements and periods covered by the review (paragraph .34 lists representations to be provided; paragraph .A146 has illustrative representation letter)
- 15. Prepare review documentation
 - a. To enable an experienced accountant, having no previous connection to the review, to understand
 - i. Nature, timing, and extent of procedures performed
 - ii. Results of procedures and evidence obtained
 - iii. Significant findings or issues, conclusions, and professional judgment
 - b. Documentation should include:

- i. Engagement letter
 - ii. Communications to management regarding fraud or noncompliance with laws and regulations
 - iii. Communications regarding potential emphasis-of-matter or other-matter
 - iv. Communications with other accountants that audited or reviewed significant components
 - v. Representation letter
 - vi. Copy of reviewed financial statements and review report
 - c. See “troubleshooting review engagements”
- iii. *Reporting requirements:*
 - 1. Review report should be in writing
 - 2. To include:
 - a. A title that includes the word “independent”
 - b. Appropriate addressee
 - c. Introductory paragraph that:
 - i. Includes the entity
 - ii. States that the financial statements have been reviewed
 - iii. Identifies the financial statements
 - iv. Specifies the date or period covered by each financial statement
 - v. Includes a statement that a review includes primarily applying analytical procedures to management’s financial data and making inquiries of company management
 - vi. Includes a statement that a review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole and that, accordingly, the accountant does not express such an opinion
 - d. **A section with the heading “Management’s Responsibility for the Financial Statements”** that includes an explanation that management is responsible for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework; this responsibility includes designing, implementation, and maintenance of internal control
 - e. **A section with the heading “Accountant’s Responsibility”** that includes the following:
 - i. The accountant’s responsibility is to conduct the review in accordance with SSARS issued by the AICPA
 - ii. That standards require performing procedures to obtain limited assurance as a basis for reporting

whether the accountant is aware of any material modifications that should be made to the financial statements for them to be in accordance with the applicable financial reporting framework

- iii. The accountant believes that the review evidence obtained is sufficient and appropriate for the accountant's conclusion

f. **A concluding section with an appropriate heading** that includes a statement about whether the accountant is aware of any material modifications that should be made to the accompanying financial statements for them to be in accordance with the applicable financial reporting framework and identifies the country of origin of those accounting principles

- i. The manual or printed signature of the accountant's firm
- ii. The city and state where the accountant practices
- iii. The date of the review report, which should be dated no earlier than the date on which the accountant completed procedures sufficient to obtain limited assurance as a basis for the report, including evidence that:
 - 1. All the statements including the related notes have been prepared and
 - 2. Management has asserted that they have taken responsibility for the financial statements

iv. *SSARS 19 review report*

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To Management

XYZ Company

City, State

I (We) have reviewed the accompanying balance sheet of XYZ Company (a corporation) as of December 31, 20XX, and the related statements of income and retained earnings and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I (we) do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My (Our) responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require me (us) to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. I (We) believe that the results of my (our) procedures provide a reasonable basis for my (our) report.

Based on my (our) review, I am (we are) not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Firm's Signature

Report Date

- v. *SSARS 21 review report* – paragraph .A147 Exhibit C – Illustrations of Accountant’s Review Report on Financial Statements

INDEPENDENT ACCOUNTANT’S REVIEW REPORT

To appropriate addressee

I (We) have reviewed the accompanying financial statements of XYZ Company, which comprise the balance sheet as of December 31, 20XX, and the related statements of income, changes in stockholders’ equity, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management’s financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I (we) do not express such an opinion.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant’s Responsibility

My (Our) responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require me (us) to perform procedures to obtain limited assurance as a basis for reporting whether I am (we are) aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I (We) believe that the results of my (our) procedures provide a reasonable basis for my (our) conclusion.

Accountant’s Conclusion

Based on my (our) review, I am (we are) not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Signature of accounting firm or accountant, as appropriate

Accountant’s city and state

Date of the accountant’s review report

d. Compilations (Section 80)

i. *Objective:*

1. *To apply accounting and financial reporting expertise to assist management in the presentation of financial statements and report in accordance with this section without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements for them to be in accordance with the applicable financial reporting framework.*

2. Not an assurance engagement, so not required to verify accuracy or completeness of information provided by management

ii. *Submission driven* (prior) versus *engagement driven* (new) – SSARS No. 21 does not allow accountants to compile management-use-only financial statements

iii. *Performance requirements:*

1. Independence: must determine whether accountant is independent of the entity – if not independent, must modify compilation report

2. Acceptance and continuance of the engagement

a. Obtain agreement from management that management acknowledges and accepts responsibility

i. For the preparation and fair presentation of financial statements in accordance with the applicable financial reporting framework, including a description of the framework

ii. To include accountant's compilation report in any document containing financial statements that indicate the accountant has performed a compilation engagement

3. Agreement on engagement terms documented in an engagement letter *signed by both the accountant or the accountant's firm and management or those charged with governance*

4. Knowledge and understanding of the entity's financial reporting framework

a. Obtain an understanding of *the applicable financial reporting framework* and the significant accounting policies intended to be used in the preparation of the financial statements

5. Compilation procedures

a. Read the financial statements and consider whether they appear to be appropriate in form and free from obvious material misstatements

b. If the accountant becomes aware that information supplied by management is incomplete, inaccurate, or otherwise unsatisfactory, bring that to the attention of management

- c. If the financial statements do not adequately refer to the applicable financial reporting framework, or revisions are required, or are otherwise misleading, propose appropriate revisions
 - 6. Prepare documentation in sufficient detail to provide a clear understanding of the work performed, including at a minimum:
 - a. Engagement letter
 - b. Copy of the financial statements
 - c. Copy of the accountant's compilation report
 - d. See "troubleshooting compilation engagements"
- iv. *Reporting requirements:*
 - 1. A written report is required
 - 2. To include:
 - a. A statement that management is responsible for the financial statements
 - b. Identify the financial statements that have been compiled
 - c. Identify the entity whose financial statements have been compiled
 - d. Specify the date or period covered by each financial statement
 - e. A statement that the accountant performed the compilation engagement in accordance with SSARSs promulgated by the AICPA Accounting and Review Services Committee
 - f. Include a statement that the accountant did not audit or review the financial statements, nor was required to perform any procedures to verify the accuracy or completeness of the information provided by management and, accordingly, does not express an opinion, a conclusion, or any assurance on the financial statements
 - g. Include the signature of the accounting firm or the accountant
 - h. Include the city and state where the accountant practices
 - i. Include the date of the compilation report which should be the date that the accountant completed the compilation procedures
 - 3. Special purpose framework
 - a. Report should refer to management's responsibility for determining that the framework is acceptable in the circumstances when management has a choice of frameworks
 - b. Report should indicate in a separate paragraph that the statements are prepared in accordance with the framework and that the framework is a basis of accounting other than GAAP
 - 4. When the accountant is not independent

- a. The report should indicate the lack of independence in the final paragraph
 - b. If any reason for lack of independence is disclosed, all reasons must be disclosed
5. Statements that omit substantially all disclosures
 - a. Accountant should not issue a report on such unless the omission is not undertaken with the intention of misleading users
 - b. Include a separate paragraph that management has elected to omit substantially all disclosures, such disclosures might influence users' conclusions, and that the statements are not designed for those who are not informed about such matters
6. Report known departures from the applicable financial reporting framework
7. Include a paragraph regarding supplementary information presented with the financial statements or a separate report on the supplementary information
8. The report should not refer to any other procedures that the accountant may have performed.

v. *SSARS 19 compilation report*

(INDEPENDENT) ACCOUNTANT'S COMPILATION REPORT

To Management

XYZ Company

City, State

I (We) have compiled the accompanying balance sheet of XYZ Company (a corporation) as of September 30, 20XX, and the related statements of income and retained earnings and cash flows for the year then ended. I (We) have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My (Our) responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Firm's Signature

Report Date

vi. *SSARS 21 compilation report* - paragraph .A43 Exhibit B – Illustrative Examples of Accountant’s Compilation Report on Financial Statements

[no heading or addressee required]

Management is responsible for the accompanying financial statements of XYZ Company, which comprise the balance sheets as of December 31, 20X2 and 20X1, and the related statements of income, changes in stockholders’ equity, and cash flows for the years then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. I (We) have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. I (We) did not audit or review the financial statements nor was I (were we) required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I (we) do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Signature of accounting firm or accountant, as appropriate

Accountant’s city and state

Date of the accountant’s report

e. Applicability to special framework engagements

- i. SSARS 21 Section 60 paragraph .A5 The financial statements may be prepared in accordance with
 1. A general purpose framework
 2. A special purpose framework [e.g., tax basis, cash basis, regulatory, contractual]
- ii. SSARS 21 must be followed even though the statements are presented on some basis of accounting other than generally accepted accounting principles
 1. “I don’t do GAAP anymore!”
 2. “Use tax basis so we don’t have to fill out all those PPC checklists!”

2. Troubleshooting review engagements

a. Expectations – developing and limitations

- i. SSARS No. 21 states that when designing and performing analytical procedures, the accountant should include **developing expectations** (this is not a new requirement) through identifying and using relationships that are reasonably expected to exist based on knowledge of the entity and understanding of the industry in which the entity operates.
- ii. Limitations
 1. Identified differences from expectations may indicate material misstatements.
 2. If results conform to expectations, should the accountant conclude there is no indication of material misstatement?
 3. “How did you come up with that number?”

b. Obtaining review evidence

- i. Use of audit procedures?
 1. Sufficient review evidence is obtained primarily through analytical procedures and inquiries
 2. Sample engagement letter Section 90 paragraph .A145 Exhibit A Illustration 1: A review engagement does not contemplate obtaining an understanding of the entity’s internal control; assessing fraud risk; testing accounting records by obtaining sufficient appropriate audit evidence through **inspection, observation, confirmation, or other examination of source documents**; or other procedures ordinarily performed in an audit engagement. [emphasis vwm]
 3. Section 90, paragraph .A30 (Application and Other Explanatory Material): . . . in certain circumstances and based on the accountant’s professional judgment, the accountant may perform procedures ordinarily performed in an audit. In such instances, the engagement remains a review, and the accountant is not required to perform an audit of the financial statements.
 4. Tiers of concern?
- ii. Analytical procedures versus account balance procedures

1. When results of analytical procedures are unfavorable (i.e., the accountant believes that fluctuations from expected amounts are significant or are inconsistent with other relevant information) the accountant may need to perform other procedures. SSARS No. 21 states the accountant should investigate the differences by inquiring of management and performing other procedures if considered necessary. Additional procedures should be applied to determine whether or not any differences between expected and actual results are material adjustments that should be booked by the client and, if so, the amount that should be booked. These additional procedures may take the form of inquiries and additional analytical procedures. However, in many cases, accountants will combine additional inquiry or analytical procedures with preparing other accounting schedules or analyses to explain fluctuations.
2. For example, if trial balance amounts do not conform to expectations regarding the cash balance, the accountant may request a copy of the bank reconciliation. If the reconciliation agrees to the trial balance, the accountant may consider this evidence sufficient to indicate there is no material misstatement to cash. Detail testing such as footing totals, examining subsequent bank statements for unrecorded outstanding checks, is not required. If, however, the reconciliation does not agree to the trial balance, the accountant may consider investigating the detail further so as to arrive at a conclusion about possible misstatement of cash. (tiers of concern)

c. Documentation

- i. SSARS No. 21 requires the accountant to prepare review documentation sufficient to enable an experienced accountant, with no connection to the review, to understand—
 1. The nature, timing, and extent of procedures performed
 2. The results of the procedures performed and evidence obtained
 3. Significant findings or issues arising during the review, the conclusions reached, and significant professional judgments made in reaching those conclusions
- ii. The review documentation should include the following—
 1. Engagement letter.
 2. Communications with management regarding fraud or noncompliance with laws and regulations
 3. Communications with management about the accountant's expectation to include an emphasis-of-matter or other-matter paragraph in the accountant's review report
 4. Communications with other accountants that have audited or reviewed the financial statements of significant components
 5. Representation letter
 6. Copy of the financial statements
 7. Copy of the accountant's review report

- iii. Some believe that workpapers should only include what is required by standards. E.g., do not include trial balance in workpapers.
- iv. Professional judgment is required – documentation sufficient to demonstrate that adequate review evidence has been obtained to conclude there are no material misstatements in the financial statements
 - 1. Peer review has affected the content and extent of documentation
 - 2. Variation among peer reviewers
 - 3. Ultimate responsibility rests with the accountant – tiers of concern

3. Troubleshooting compilation engagements

a. To adjust or not to adjust, that is the question (verification of accuracy)

- i. SSARS No. 21 states that, since a compilation is not an assurance engagement, accountants are not required to verify the accuracy or completeness of the information provided by management or gather evidence to express an opinion or conclusion on the financial statements.
- ii. *However, if they become aware that information provided by management is inaccurate, incomplete, or otherwise unsatisfactory, they should bring that to management's attention and request additional or corrected information. Furthermore, when accountants become aware of a departure from the applicable financial reporting framework, the compilation report should be modified.*
- iii. Consider expectations of users of financial statements: Why do lenders and others want that compilation report? (tiers of concern)

b. Documentation

- i. Some believe that workpapers should only include what is required by standards.
 - 1. adhere to the minimum compilation documentation requirements above
 - 2. only go beyond those requirements when needed to provide a clear understanding of the work performed. To do otherwise may subject accountants to increased malpractice risks. (a tier of concern)
- ii. How do our tiers of concern affect the extent of our documentation of our work? Don't we include certain workpapers relating to items which our experience with the client suggests are likely to be misstated, misclassified, or omitted (e.g., depreciation, bad debts, certain accruals, habitual misclassifications, abuse of "miscellaneous")

c. "How much did we make?" (clients' understanding of financial statements)

THANK YOU!

GO, PHOENIX!
