

Agenda Item 2



Compilation of Prospective Financial Information

Objective of Agenda Item

To discuss issues related to the proposed standard *Compilation of Prospective Financial Information* and vote to expose the proposed standard for public comment.

Background

Requirements and guidance with respect to compilations, examinations, and agreed-upon procedures engagements with respect to prospective financial information reside in AT section 301, *Financial Forecasts and Projections*. The Auditing Standards Board is currently clarifying the attestation literature and made a determination to remove the guidance regarding compilations of prospective financial information currently in AT section 301 from the proposed clarified attestation standards because compilations are not attestation engagements as defined in the proposed revision of AT section 101, *Attest Engagements*.

The ARSC Prospective Financial Information (PFI) Task Force was charged with developing a standard that would move the appropriate requirements and guidance with respect to compilations of PFI to the SSARSs. That Task Force consists of:

Mike Fleming – ARSC member and Chair of the Task Force

Mike Brand – ARSC Chair

Chas McElroy – Former ARSC member and SSARS 21 Task Force Chair

David Johnson – TIC member

The Task Force presented a first read draft of a proposed SSARS that addressed the separate services of preparation and compilation of prospective financial information at the ARSC meeting in November 2014. The assembly of PFI (then referred to as preparation of PFI) and compilation of PFI were presented in one proposed SSARS (to be codified as one AR-C section) in that initial draft. Subsequently, the Task Force determined that the SSARSs were easier to read, understand, and apply if presented separately. At the November 2014 meeting, the ARSC provided the Task Force with guidance regarding issues with respect to the draft standard and directed that a revised draft be presented to the ARSC in April 2015.

Assembly of PFI
Discussion Memorandum
ARSC Meeting, April 28-30, 2015

Overall Action Item

Action Requested of the ARSC

The ARSC is asked to consider the draft of the proposed SSARS and vote to expose the proposed SSARS for public comment.

Agenda Items Presented:

Agenda item 2A Proposed standard, *Compilation of Prospective Financial Information*