

**Agenda Item 2F**



AR section 600, *Reporting on Personal Financial Statements Included in Written Personal Financial Plans* – Disposition of Requirements

**NOTE: HIGHLIGHTED LANGUAGE IS NOT INCLUDED IN SSARS 21 OR THE 2015 GUIDE.**

Tracker of requirements from AR sections not included in SSARS 21

AR section	Paragraph #	Requirement	Section 80 of SSARS 21	Section 90 of SSARS 21	Guide Chapter – Preparation	Guide Chapter – Compilation	Guide Chapter – Review	Notes
600	.04	<p>An accountant using the exemption provided by this section <b>should</b> issue a written report stating that the unaudited financial statements</p> <p><i>a.</i> are designed solely to help develop the financial plan.</p>						<p>Paragraph .01 of AR section 600 states that the section “provides an exemption from section 80 for personal financial statements that are included in written personal financial plans prepared by an accountant, and specifies the form of written report required under the exemption.</p> <p>Paragraph .01 of section 70 of SSARS 21 states that the section does not apply when the accountant prepares financial statements for</p>

Disposition of AR section 600 requirements and interpretations  
ARSC Meeting, October 27-29, 2015

AR section	Paragraph #	Requirement	Section 80 of SSARS 21	Section 90 of SSARS 21	Guide Chapter – Preparation	Guide Chapter – Compilation	Guide Chapter – Review	Notes
		<p><i>b.</i> may be incomplete or contain other departures from the applicable financial reporting framework and should not be used to obtain credit or for any purposes other than developing the personal financial plan.</p> <p><i>c.</i> have not been audited, reviewed, or compiled.</p>						<p>inclusion in written personal financial plans prepared by the accountant.</p> <p>As with all other instances where the accountant is not engaged to perform a compilation engagement, there are no reporting requirements.</p>
600	.06	Each of the personal financial statements <b>should</b> include a reference to the accountant's report.						Not applicable.

Pre-SSARS 21 Interpretations

Reporting on Personal Financial Statements Included in Written Personal Financial Plans: Accounting and Review Services Interpretation of Section 600

**NOTE: HIGHLIGHTED LANGUAGE IS NOT INCLUDED IN SSARS 21 OR THE 2015 GUIDE.**

Interpretation	SSARS 21	Guide Chapter – Preparation	Guide Chapter – Compilation	Guide Chapter – Review
<p><b>1. Submitting a Personal Financial Plan to a Client’s Advisers</b></p> <p><b>.01 Question</b>—Paragraph .03 of section 600, <i>Reporting on Personal Financial Statements Included in Written Personal Financial Plans</i>, states that an accountant may submit a written personal financial plan containing unaudited personal financial statements to a client without complying with the requirements of section 80, <i>Compilation of Financial Statements</i>, when, among other conditions, the accountant establishes an understanding with the client that the financial statements will be used solely to assist the client and the client's advisers to develop the client's personal financial goals and objectives. Does developing the client's personal financial goals and objectives encompass implementing the personal financial plan by the client or the client's advisers?</p> <p><b>.02 Interpretation</b>—Yes. Developing a client's personal financial goals and objectives includes implementing the personal financial plan by the client or the client's advisers because implementing the plan may be considered the culmination of the process of developing personal financial goals and objectives. Therefore, an accountant may submit a written personal financial plan containing unaudited personal financial statements to a client, to be used by the client or the client's advisers to implement the personal financial plan, without complying with the requirements of section 80, provided the conditions in paragraph .03 of section 600 exist.</p> <p><b>.03 Examples of implementation of a personal financial plan by the client's advisers include use of the plan by</b></p> <ul style="list-style-type: none"> <li>• an insurance broker who will identify specific insurance products.</li> <li>• an investment adviser who will provide specific recommendations about the investment portfolio.</li> <li>• an attorney who will draft a will or trust documents.</li> </ul>				