

Statement of Standards for Accounting and Review Services No. 16, *Defining Professional Requirements in Statements on Standards for Accounting and Review Services*

Issue Date: December 18, 2007

Effective Date: This SSARS is effective upon issuance.

Product Number: 060654

Executive Summary

In serving the public interest, the ARSC aims to set high quality standards for compilation and review engagements for nonissuers that are understandable, clear, and capable of consistent application, thereby serving to enhance the quality and uniformity of practice. In doing so the ARSC seeks to balance the needs of a wide range of users including accountants, management, third-party users of compiled or reviewed financial statements, and the public in general.

In December 2005, the Auditing Standards Board issued Statement on Auditing Standards (SAS) No. 102, *Defining Professional Requirements in Statements on Auditing Standards* (AICPA, *Professional Standards*, vol. 1, AU sec. 120). SAS No. 102 expressly defined imperatives used to describe different degrees of the auditor's responsibility when conducting audit engagements in accordance with generally accepted auditing standards. The ARSC believes that by defining the levels of responsibilities that accountants have in compilation and review engagements in a fashion similar to SAS No. 102, standards for compilation and review engagements will be clarified, and the imperatives used in such standards will be consistent with the standards for audit engagements. The ARSC believes that this clarity and consistency will assist accountants in their work and improve the quality of compilation and review engagements.

SSARS No. 16 defines the terminology the ARSC will use to describe the degrees of responsibility that the requirements impose on the accountant.