

AR-C Section 9090

Review of Financial Statements: Accounting and Review Services Interpretation of Section 90

1. Considerations Related to Reviews Performed in Accordance With International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical Financial Statements

.01 Question—Section 90, *Review of Financial Statements*, requires that the written review report include a statement that the accountant's responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services (SSARSs) promulgated by the Accounting and Review Services Committee of the AICPA.¹ May a practitioner also indicate that the review was conducted in accordance with ISRE 2400 (Revised), issued by the International Auditing and Assurance Standards Board?

.02 Interpretation—Yes. A practitioner may review the financial statements of an entity in accordance with SSARSs and in accordance with another set of review standards (for example, ISRE 2400 [Revised]). In circumstances in which the accountant's review report states that the review was conducted in accordance with SSARSs and another set of review standards, the practitioner should comply with both sets of standards.

The following illustrates an independent accountant's review report in which the review was conducted in accordance with both SSARSs and ISRE 2400 (Revised).

Circumstances include the following:

- Review of a complete set of general purpose consolidated financial statements (comparative).
- Financial statements prepared in accordance with accounting principles generally accepted in the United States of America.

Independent Accountant's Review Report

[Appropriate Addressee]

I (We) have reviewed 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. A review includes primarily applying analytical procedures to management (owners') financial data and making inquiries of company management (owners). 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.

¹ Paragraph .39e(i) of section 90, *Review of Financial Statements*.

Management's Responsibility for the Financial Statements

Management (Owners) is (are) responsible for the preparation and fair presentation of the 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 the 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 engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA and in accordance with International Standard on Review Engagements 2400 (Revised) issued by the International Auditing and Assurance Standards Board. 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) reviews, 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]

The accountant should not refer to having conducted a review in accordance with ISRE 2400 (Revised) in addition to SSARs, unless the review was conducted in accordance with both sets of standards in their entirety.

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