AICPA COMPETENCY FRAMEWORK
ASSURANCE SERVICES
ABOUT THE AICPA COMPETENCY FRAMEWORK: ASSURANCE SERVICES

CPAs are expected to maintain a level of competence to meet the profession’s technical and ethical standards and provide valuable services to the public, employers and clients. Competence represents the attainment and maintenance of a level of understanding and knowledge that enables CPAs to render services with facility and acumen. The AICPA Competency Framework: Assurance Services is designed to help CPAs understand the knowledge and skills necessary to perform high-quality audit, attestation, review, compilation and preparation engagements.

The framework is underpinned by the need for objectivity, integrity and ethical behavior, and it includes a commitment to continuously acquire new skills and knowledge.

AICPA COMPETENCY FRAMEWORK: ASSURANCE SERVICES OUTLINE

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CLIENT ACCEPTANCE ................................................................. 4
ENGAGEMENT PLANNING ......................................................... 6
ENGAGEMENT ANALYSIS OR TESTING ...................................... 16
CONCLUDING THE ENGAGEMENT .......................................... 25
GUIDING PRINCIPLES ............................................................. 27
The following outline represents technical competencies necessary for performing high-quality audit, attestation, review, compilation and preparation engagements. The technical competencies are organized into five core skill sets.

<table>
<thead>
<tr>
<th>CORE SKILL SET</th>
<th>COMPETENCY OUTLINE</th>
</tr>
</thead>
<tbody>
<tr>
<td>CLIENT ACCEPTANCE</td>
<td>The determination to accept or continue an engagement</td>
</tr>
<tr>
<td>ENGAGEMENT PLANNING</td>
<td>The planning of the engagement based on client needs and engagement objectives and scope</td>
</tr>
<tr>
<td>ENGAGEMENT ANALYSIS OR TESTING</td>
<td>The analyses and/or tests performed to meet engagement objectives</td>
</tr>
<tr>
<td>CONCLUDING THE ENGAGEMENT</td>
<td>The satisfaction of engagement deliverables, including concluding, recommending and reporting</td>
</tr>
<tr>
<td>GUIDING PRINCIPLES</td>
<td>The adherence to governing requirements, applicable standards or guiding principles within the engagement</td>
</tr>
</tbody>
</table>

The AICPA Competency Framework: Assurance Services identifies specific skills within each core skill set. Skills are further defined as foundational, intermediate, advanced and expert.
### CLIENT ACCEPTANCE — CLIENT ACCEPTANCE OR CONTINUATION

The consideration of whether to accept or continue a client engagement, in accordance with firm policies and procedures and applicable laws and independence requirements

<table>
<thead>
<tr>
<th>Foundational</th>
<th>Intermediate</th>
<th>Advanced</th>
<th>Expert</th>
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<td><strong>Analyzing and Evaluating</strong></td>
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<td>• Aware of firm policies and procedures as well as professional standards related to acceptance and continuance of client relationships and specific engagements and aware there can be client and engagement factors that make engagements more risky to accept or continue</td>
<td>• Understands firm policies and procedures as well as professional standards related to the acceptance and continuance of client relationships and specific engagements and recognizes risk factors that may pose additional engagement risk for the firm</td>
<td>• Evaluates the criteria for deciding whether to accept or continue a client relationship and the specific engagement, in accordance with firm policies and procedures and professional standards</td>
<td>• Evaluates and concludes on the decision to accept or continue a client relationship and the specific engagement, in accordance with firm policies and procedures and professional standards</td>
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<td>• Aware of and follows applicable independence and ethical requirements, including any engagement specific independence requirements (e.g., GAGAS and Single Audit independence requirements, DOL auditor independence rule, SEC independence rules for Form 11-K EBP audits, SSVS, SSCS, etc.), including documentation thereof</td>
<td>• Understands applicable independence and other ethical requirements and applies them to the engagement, including any engagement specific independence requirements (e.g., GAGAS and Single Audit independence requirements, DOL auditor independence rule, SEC independence rules for Form 11-K EBP audits, SSVS, SSCS, etc.) including documentation thereof</td>
<td>• Evaluates unique applicable independence and other ethical requirements associated with the engagement and recommends procedures to comply, including any engagement specific independence requirements (e.g., GAGAS and Single Audit independence requirements, DOL auditor independence rule, SEC independence rules for Form 11-K EBP audits, SSVS, SSCS, etc.) including documentation thereof</td>
<td>• Determines unique applicable independence and other ethical requirements associated with the engagement are addressed, including any engagement specific independence requirements (e.g., GAGAS and Single Audit independence requirements, DOL auditor independence rule, SEC independence rules for Form 11-K EBP audits, SSVS, SSCS, etc.), including documentation thereof</td>
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<td>• Aware of the firm’s client base and engagements and relationships between other clients and engagements that affect the current engagement and understands factors that give rise to conflicts of interest</td>
<td>• Understands how current client may affect other clients or engagements of the firm and understands the nature and types of conflicts that may arise based on the nature of the engagement, the client or client industry</td>
<td>• Evaluates potential conflicts of interest for engagement and other engagements of the firm and proposes engagement scope and/or procedures to address</td>
<td>• Defines the scope of engagements that will minimize or, when required, avoid conflicts of interest and establish rules of engagement to manage conflicts of interest in complex relationship structures</td>
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**CLIENT ACCEPTANCE — CLIENT ACCEPTANCE OR CONTINUATION (Continued)**

The consideration of whether to accept or continue a client engagement, in accordance with firm policies and procedures and applicable laws and independence requirements

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- Prepares engagement proposals in accordance with applicable governing requirements, standards or guiding principles
- Evaluates and approves engagement proposals
- Understands the firm’s services and capabilities
- Recognizes when a client need can be addressed by the firm and assists in data gathering and research for client acceptance and retention
- Prepares engagement letters, proposals or certifications for retention in accordance with applicable governing requirements, standards or guiding principles
- Evaluates and approves engagement letters, proposals or certifications for retention
ENGAGEMENT PLANNING — CLIENT ENVIRONMENT

The understanding and evaluation of the domestic and, if applicable, international environment of the client (e.g., legal, regulatory, economic/market, political, offshore interests, etc.)

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- Demonstrates knowledge of the domestic and, if applicable, international environment of the client
- Understands environmental similarities and differences between the client and other entities in the industry or similar individuals
- Evaluates how the client’s domestic and, if applicable, international environment affects the client and the engagement
- Determines how to respond to unmitigated concerns about the effects of the domestic and, if applicable, international environments on the client or engagement
- Demonstrates knowledge of the industry in which the client operates
- Understands similarities and differences between the client and other entities in the industry, client’s position within the industry and risks unique to the industry
- Applies knowledge of the industry to the evaluation of the client and the engagement and evaluates client response to unique industry risks; makes recommendations when appropriate for the engagement*
- Develops strategies for the engagement to address unique industry risks and issues and, when appropriate for the engagement, develops and/or approves recommendations about the client’s business based on understanding of client’s industry and similarities and differences between the client and other entities in the industry*

*These proficiencies are not applicable to preparation and compilation services.
ENGAGEMENT PLANNING — CLIENT INTERNAL ENVIRONMENT
The understanding and evaluation of the client’s internal environment, including, when applicable, the client’s system of internal control

**FOUNDATIONAL**
Remembering and Understanding
- Recognizes common areas of complexity for the client, applicable governing requirements, and, if applicable, complex transactions

**INTERMEDIATE**
Understanding and Applying
- Understands common areas of complexity for the client, including, if applicable, complex transactions and applies relevant governing requirements

**ADVANCED**
Analyzing and Evaluating
- Analyzes client’s complex transactions and evaluates appropriate and best application of applicable governing requirements

**EXPERT**
Evaluating and Creating
- As permitted, develops solutions and advises client on how to address the implications of and/or execute complex transactions considering applicable governing requirements and which transactions the client undertakes to best address client needs and engagement objectives

- Recognizes the organizational structure, business processes, operations and systems of the client
- Understands organizational structures, business processes, operations and systems and how they interplay with one another in the client
- Analyzes and evaluates client organizational structures, business processes, operations and systems; makes recommendations when appropriate for the engagement*
- Evaluates and identifies changes that would improve the client’s organizational structures, business processes, operations and systems; makes recommendations when appropriate for the engagement*
- Recognizes subservice organizations and carve-out considerations, when appropriate for the engagement£
- Understands client’s subservice organizations and carve-out considerations and applies relevant requirements, when appropriate for the engagement£
- Analyzes client’s subservice organizations and carve-out considerations and evaluates appropriate and best application of applicable requirements, when appropriate for the engagement£
- Develops strategies for the engagement to address subservice organizations and carve-out considerations and evaluates appropriate and best application of applicable requirements, when appropriate for the engagement£

*These proficiencies are not applicable to preparation and compilation services.
£These proficiencies are only applicable to SOC 1® and SOC 2® engagements.

(Continued on next page)
The understanding and evaluation of the client’s internal environment, including, when applicable, the client’s system of internal control

**FOUNDATIONAL**
Remembering and Understanding

- Aware of other entities or professionals involved in performance of processes and services affecting the client

**INTERMEDIATE**
Understanding and Applying

- Understands responsibilities of other entities or professionals involved in performance of processes and services affecting the client

**ADVANCED**
Analyzing and Evaluating

- Evaluates responsibilities of other entities or professionals involved in performance of processes and services affecting the client and considers the effect on the client engagement*

**EXPERT**
Evaluating and Creating

- When appropriate or permitted, recommends changes to relationships with other entities or professionals that are involved in performance of processes and services affecting the client*

- Recognizes client’s systems of internal controls, including internal control activities and any controls residing at third parties, as appropriate

- Understands and tests client’s system of internal control, including internal controls activities and controls residing at third parties, as appropriate

- Compares client’s system of internal control, including internal control activities and internal controls residing at a third party, against internal control frameworks (e.g., COSO) and compares to systems of internal control from other organizations to identify unique engagement requirements and/or gaps in internal control; and makes recommendations when appropriate for the engagement*

- Reviews gaps in client’s system of internal control, including internal control activities and controls residing at third parties, evaluates impact of gaps on engagement, and when appropriate, recommends modifications

- Aware of technology, system components (infrastructure, software, people, procedures, data) and system boundaries of the client, when appropriate for the engagement*

- Understands technology, system components (infrastructure, software, people, procedures, data) and system boundaries of the client, when appropriate for the engagement*

- Analyzes and evaluates technology, system components (infrastructure, software, people, procedures, data) and system boundaries; and makes recommendations when appropriate for the engagement*

- Evaluates and identifies alternative changes that would improve the client’s technology, system components (infrastructure, software, people, procedures, data) and system boundaries; and makes recommendations when appropriate for the engagement*

*These proficiencies are not applicable to preparation and compilation services.

#These proficiencies are only applicable to SOC 2® engagements.
ENGAGEMENT PLANNING — CLIENT EVENTS
The understanding and evaluation of the client’s recent or planned events and strategies that affect the engagement (e.g., mergers, acquisitions, new federal awards received, IPO, sale of home or business, retirement)

**FOUNDATIONAL**
Remembering and Understanding
- Recognizes client’s recent or planned events and strategies that affect the engagement†

**INTERMEDIATE**
Understanding and Applying
- Understands client’s recent or planned events and strategies that affect the engagement†

**ADVANCED**
Analyzing and Evaluating
- Analyzes and evaluates how client’s recent or planned events and strategies affect the client and the engagement†

**EXPERT**
Evaluating and Creating
- When appropriate or permitted, evaluates and provides options to clients so they can modify planned events and strategies to achieve client objectives†

† These proficiencies are only applicable to attestation and audit services.
ENGAGEMENT PLANNING — CLIENT RISK
The identification and evaluation of elements of risk faced by the client and applicable to the engagement (e.g., economic, market, accounting, valuation, key stakeholders, financial reporting, compliance, IT, tax, credit, fraud, financial planning, etc.)

FOUNDATIONAL
Remembering and Understanding
• Understands risk management concepts and is aware of elements of risks faced by the client and applicable to the engagement*

INTERMEDIATE
Understanding and Applying
• Understands the risk management culture and/or philosophy of the client and the elements of risks faced by the client and applicable to the engagement*

ADVANCED
Analyzing and Evaluating
• Identifies the implications of the client’s level of risk, risk tolerance and approach to managing risk; evaluates and prioritizes the elements of risks faced by the client and applicable to the engagement; and makes recommendations when appropriate for the engagement*

EXPERT
Evaluating and Creating
• Evaluates and identifies changes that would improve the client’s risk management processes; identifies methods to mitigate risk; and makes recommendations when appropriate for the engagement*

• Aware of the accounting and financial statements of the client and other relevant entities (e.g., non-individuals) to identify risks unique to the client

• Understands the accounting and financial statements of the client and other relevant entities (e.g., non-individuals) to identify risks unique to the client

• Analyzes the accounting and financial statements of the client and other relevant entities to determine the effect on the engagement; makes recommendations to client as applicable

• Evaluates the accounting and financial statements of the client and other relevant entities (e.g., non-individuals) to determine the effect on the engagement; makes recommendations to client as applicable

• Aware of the security and systems or other relevant criteria of the client and other relevant entities to identify risks unique to the client when performing a SOC 2® engagement#

• Understands the security and systems or other relevant criteria of the client and other relevant entities to identify risks unique to the client when performing a SOC 2® engagement#

• Assesses risks unique to the client and other relevant entities to determine the effect and makes recommendations when performing a SOC 2® engagement#

• Evaluates the risks unique to the client and other relevant entities to determine the effect and approves recommendations when performing a SOC 2® engagement#

*These proficiencies are not applicable to preparation and compilation services.
#These proficiencies are only applicable to SOC 2® engagements.
ENGAGEMENT PLANNING — ENGAGEMENT OBJECTIVES AND SCOPE
The consideration of engagement objectives and scope including limitations, type of service, timing, applicable due dates, deliverables, filing or reporting requirements, including intended end users and fees

**FOUNDATIONAL**
Remembering and Understanding
- Aware of standards, framework or guidance to identify engagement scope parameters
- Aware of the types of services and how the services differ (e.g., subject matters addressed, limitations)
- Aware of the risks specifically affecting engagement (e.g., material non-compliance risk, fraud risk, misstatement)*
- Aware of the objectives, scope, including limitations, type of service, timing, deliverables, applicable due dates and end users of engagements as they relate to assigned tasks

**INTERMEDIATE**
Understanding and Applying
- Applies understanding of standards, framework or guidance to identify engagement scope parameters
- Identifies unique scope, deliverable or independence requirements based on type of engagement and identifies effort or objectives that are out of scope
- Defines risks specifically affecting engagement (e.g., material non-compliance risk, fraud risk, misstatement)*
- Understands the objectives, scope, including limitations, type of service, timing, deliverables, applicable due dates and intended end users of engagements

**ADVANCED**
Analyzing and Evaluating
- Analyzes standards, frameworks or guidance to identify engagement scope parameters
- Evaluates standards, frameworks or guidance to identify engagement scope parameters and establishes and/or approves engagement scope parameters
- Evaluates determination of risks and identifies scope and approach effect (e.g., risk mitigation procedures)*
- Evaluates and prioritizes the objectives, scope, including limitations, type of service, timing, deliverables, applicable due dates and end users of engagements

**EXPERT**
Evaluating and Creating
- Evaluates standards, framework or guidance to identify engagement scope parameters
- Modifies execution of engagement as necessary
- Evaluates and concludes on sufficiency of risk mitigation given risk profile and requirements*
- Plans and ensures the engagement is executed to meet objectives, including scope limitations, type of service, timing, deliverables, applicable due dates and end user considerations

*These proficiencies are not applicable to preparation and compilation services.

(Continued on next page)
**ENGAGEMENT PLANNING — ENGAGEMENT OBJECTIVES AND SCOPE (Continued)**

The consideration of engagement objectives and scope including limitations, type of service, timing, applicable due dates, deliverables, filing or reporting requirements including intended end users and fees

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- Recognizes applicable basic client or user entity’s filing or reporting requirements (e.g., financial, compliance, law or regulation, tax, etc.), including intended end users of reports
- Understands applicable basic client or user entity’s filing or reporting requirements (e.g., financial, compliance, law or regulation, tax, etc.), including intended end users of reports
- Analyzes and evaluates applicable client or user entity’s filing or reporting requirements (e.g., financial, compliance, law or regulation, tax, etc.), including intended end users of reports and additional filing or reporting requirements triggered by the presence of particular factors
- Analyzes, evaluates and determines actions as appropriate, based on client or user entity’s complex filing or reporting requirements (e.g., financial, compliance, law or regulation, tax, etc.), including intended end users of reports and additional risks triggered by the presence (or absence) of particular factors (e.g., loss of exempt tax status)

- Understands that there are factors that could trigger initial auditing, filing or reporting requirements (e.g., DOL, SEC, EMMA, UBIT/990, HIPAA, HITECH, etc.)
- Understands that there are factors that could trigger additional auditing, filing or reporting requirements (e.g., DOL, SEC, EMMA, UBIT/990, HIPAA, HITECH, etc.)
- Identifies additional auditing, filing or reporting requirements and impact on engagement planning (e.g., DOL, SEC, EMMA, UBIT/990, HIPAA, HITECH, etc.)
- Evaluates impact of additional auditing, filing or reporting requirements (e.g., DOL, SEC, EMMA, UBIT/990, HIPAA, HITECH, etc.)
ENGAGEMENT PLANNING — ROLES AND RESPONSIBILITIES

The definition of roles and responsibilities of the firm, client, third parties and/or specialists with respect to the engagement

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- Recognizes responsibilities of the firm and required technical competencies, including specialties necessary to meet engagement objectives
- Understands responsibilities of the firm and required technical competencies, including specialties necessary to meet engagement objectives and propose sufficient staffing
- Evaluates responsibilities of the firm and required technical competencies, including specialties necessary to meet engagement objectives and establishes engagement staffing
- Approves engagement staffing based upon the responsibilities of the firm and required technical competencies, including specialties necessary to meet engagement objectives

- Aware of individuals/entities that affect the engagement (e.g., firm, client, third parties, specialists, etc.)
- Understands responsibilities of firm, third parties and/or specialists that affect the engagement
- Evaluates how firm, client, third parties and specialists execute defined responsibilities and the effect of execution issues on the engagement
- Establishes firm, client, third parties and/or specialist responsibilities authorizing specialist/expert support as needed

- Recognizes the importance of communication with the client, those charged with governance, third parties and/or specialists when planning the engagement
- Understands when and what to communicate with the client, those charged with governance, third parties and/or specialists when planning the engagement
- Creates and manages communications with the client, those charged with governance, third parties and/or specialists when planning the engagement
- Approves communications with the client, those charged with governance, third parties and/or specialists when planning the engagement

- Recognizes that the work of others is being utilized in the engagement†
- Identifies whether, in which areas and to what extent to use the work of others with respect to the engagement†
- Evaluates in which areas and to what extent to use the work of others with respect to the engagement†
- Approves whether, in which areas and to what extent to use the work of others with respect to the engagement†

- Understands and recommends appropriate staffing for the engagement based upon competencies including specialized training and experience
- Recommends and evaluates appropriate staff for the engagement based upon competencies, including specialized training and experience
- Approves appropriate staff for the engagement based upon competencies, including specialized training and experience and establishes firm policies and strategy around engagement staffing best practices

† These proficiencies are only applicable to attestation and audit services.
### ENGAGEMENT PLANNING — ENGAGEMENT RISK
The assessment of engagement risks and planning of necessary responses

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<td><strong>Recognizes engagement risks and the implications of any noted compliance issues</strong></td>
<td><strong>Identifies engagement risks, understands the relationship between risks and evaluates the effect of compliance issues</strong></td>
<td><strong>Assesses and categorizes engagement risks, including unresolved compliance issues</strong></td>
<td><strong>Approves strategies to mitigate engagement risks, including unresolved compliance issues</strong></td>
</tr>
<tr>
<td><strong>Recognizes engagement risks and the implications</strong></td>
<td><strong>Identifies engagement risks, understands the relationship between risks and evaluates the effect</strong></td>
<td><strong>Assesses and categorizes engagement risks</strong></td>
<td><strong>Approves strategies to mitigate engagement risks</strong></td>
</tr>
<tr>
<td><strong>Recognizes limitations of own risk knowledge and acts within those limitations when interacting with client</strong></td>
<td><strong>Identifies specific factors or aspects of engagement risks requiring additional scrutiny because of the nature or scope of the engagement</strong></td>
<td><strong>Recommends and develops strategies to address engagement risk, including specific factors or aspects of engagement risks requiring additional scrutiny</strong></td>
<td><strong>Approves strategies to address and/or mitigate engagement risks, including specific factors or aspects of engagement risks requiring additional scrutiny</strong></td>
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<td><strong>Recognizes the challenges and/or risks associated with third-party information or processes (e.g., SOC 1® reports, SOC 2® reports, SOC 3® reports, valuation reports, actuarial reports, appraisal reports, broker statements, etc.)</strong></td>
<td><strong>Understands the challenges and/or risks associated with third-party information or processes (e.g., SOC 1® reports, SOC 2® reports, SOC 3® reports, valuation reports, actuarial reports, appraisal reports, broker statements, etc.)</strong></td>
<td><strong>Recommends strategies and procedures to address challenges and/or risks with third-party information or processes (e.g., SOC 1® reports, SOC 2® reports, SOC 3® reports, valuation reports, actuarial reports, appraisal reports, broker statements, etc.)</strong></td>
<td><strong>Approves strategies and procedures to address challenges and/or risks with third-party information or processes (e.g., SOC 1® reports, SOC 2® reports, SOC 3® reports, valuation reports, actuarial reports, appraisal reports, broker statements, etc.)</strong></td>
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† These proficiencies are only applicable to attestation and audit services.

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The assessment of engagement risks and planning of necessary responses

**FOUNDATIONAL**
Remembering and Understanding

- Recognizes the risk of material misstatement, whether due to fraud or error†

**INTERMEDIATE**
Understanding and Applying

- Identifies the risk of material misstatement, whether due to fraud or error†

**ADVANCED**
Analyzing and Evaluating

- Assesses the risk of material misstatement, whether due to fraud or error†

- Assesses the risk that controls may not be designed or operating effectively to meet the related criteria (e.g., security, availability, processing integrity, confidentiality or privacy)#

- Approves strategies to address the risk of controls that are not designed or operating effectively to meet the related criteria (e.g., security, availability, processing integrity, confidentiality or privacy)

**EXPERT**
Evaluating and Creating

- Approves strategies to address the risk of material misstatement, whether due to fraud or error†

- Approves strategies to address the risk that controls may not be designed or operating effectively to meet the related criteria (e.g., security, availability, processing integrity, confidentiality or privacy) and makes recommendations#

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† These proficiencies are only applicable to attestation and audit services.

# These proficiencies are only applicable to SOC 2® engagements.
**ENGAGEMENT ANALYSIS OR TESTING — INFORMATION IDENTIFICATION AND COLLECTION**

The identification and collection of information required for the engagement

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- Understands information necessary for the engagement and their sources, including how engagement scope or approach affects information required
- Understands how to identify the most reliable sources of information when presented with various alternatives
- Evaluates adequacy and appropriateness of engagement information in achieving engagement objectives
- Designs firm’s policies, tools and processes to improve information identification

- Understands the type of information reports provided by third parties/specialists (e.g., SOC 1® reports, SOC 2® reports, SOC 3® reports, valuation reports, actuarial reports, appraisal reports, broker statements, etc.)
- Understands when and how to obtain required information from third parties/specialists (e.g., SOC 1® reports, SOC 2® reports, SOC 3® reports, valuation reports, actuarial reports, appraisal reports, broker statements, etc.)
- Evaluates options available when information cannot be obtained from third parties/specialists
- Approves approach when information cannot be obtained from third parties/specialists

- Understands how to obtain or request information or evidence and appropriate processes for obtaining it
- Identifies how to obtain information or evidence that will meet more than one purpose within the engagement
- Identifies opportunities to obtain required information or evidence in new ways to facilitate advanced analysis or testing approaches
- Designs new processes to facilitate automated receipt, inventory, and analysis of evidence or information

- Follows procedures to obtain information or evidence in appropriate formats
- Applies understanding of systems and operations to validate information requests and relevant evidence requests
- Recommends methods or sources to ensure information received is relevant, reliable and useable
- Establishes processes for obtaining information that will result in the most relevant evidence and reliable data
### ENGAGEMENT ANALYSIS OR TESTING — INFORMATION VALIDATION

Validation that requested information is received, sufficient and appropriate as required by the engagement

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<td>• Understands aspects of information or the sources of information that increase or jeopardize its reliability, accuracy or completeness*</td>
<td>• Considers and weighs information and sources of information to determine reliability, accuracy, usability and completeness*</td>
<td>• Evaluates multiple sources of information, identifies conflicts and determines information that is the most reliable, accurate, credible, usable and complete for purposes of the engagement*</td>
<td>• Establishes best practices for evaluating the reliability, accuracy, credibility, usability and completeness of information as it pertains to various engagements*</td>
</tr>
<tr>
<td>• Understands aspects of client-provided information or the sources of information that increase or jeopardize its reliability, accuracy or completeness*</td>
<td>• Considers and weighs client-provided information and sources of information to determine reliability, accuracy, usability and completeness*</td>
<td>• Evaluates client-provided information for reasonableness based on existing knowledge of client, historical information, third-party information, etc.*</td>
<td>• Establishes best practices for evaluating the reliability, accuracy, credibility and completeness of information as it pertains to client provided information</td>
</tr>
<tr>
<td>• Understands data integrity concepts that relate to maintaining and assuring the consistency of data over its life cycle*</td>
<td>• Tests validity of information using standard data integrity procedures*</td>
<td>• Identifies opportunities to efficiently validate information through system testing (e.g., baseline approach) and designs processes for information validation*</td>
<td>• Evaluates and approves processes for information validation*</td>
</tr>
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*These proficiencies are not applicable to preparation and compilation services.
### ENGAGEMENT ANALYSIS OR TESTING — INTERNAL CONTROL EVALUATION

The understanding and testing of the client’s system of internal control, as applicable

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- Understands the concept and principles of internal control†
- Uses appropriate tools and techniques to develop an initial understanding of controls†
- Identifies which controls to evaluate to achieve engagement objectives and defines strategies to use for evaluation†
- Evaluates sufficiency and approves strategies related to internal control evaluation†
- Understands differences between the evaluation or testing of design and implementation†
- Evaluates design and implementation of controls†
- Evaluates sufficiency of testing of the design and implementation of controls, when appropriate†
- Designs new tests of design and implementation for new controls, when appropriate†
- Understands different approaches to testing operating effectiveness†
- Evaluates operating effectiveness of controls identified for testing, including any compliance testing†
- Evaluates sufficiency of testing of operating effectiveness, identifies opportunities to improve controls and creates recommendations when appropriate†
- Recommends improvements to client’s internal controls when appropriate†
- Understands the definition of control exceptions, criteria for evaluating and impact of exceptions on ability to conclude†
- Identifies control exceptions and applies criteria for evaluating†
- Evaluates results and concludes on adequacy of controls tested†
- Determine the appropriateness of the conclusion of controls tested†

† These proficiencies are only applicable to attestation and audit services.
## ENGAGEMENT ANALYSIS OR TESTING — SAMPLING

The use of sampling as a method for testing and analyzing information when appropriate

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<tr>
<td>Recognizes sampling concepts when appropriate for the engagement†</td>
<td>Applies sampling concepts to identify when and how to perform sampling and documents sampling strategy when appropriate for the engagement†</td>
<td>Evaluates sampling strategy and recommends changes, as needed, and designs templates and strategies for sampling in different situations when appropriate for the engagement†</td>
<td>Approves the templates and strategies for sampling in different situations when appropriate for the engagement†</td>
</tr>
<tr>
<td>Performs basic sampling procedures to support sampling†</td>
<td>Executes sampling procedures, documents results, and extracts sampling findings to determine additional steps†</td>
<td>Evaluates and interprets sampling results and findings†</td>
<td>Develops guidance on evaluating sampling results and findings†</td>
</tr>
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† These proficiencies are only applicable to attestation and audit services.
**ENGAGEMENT ANALYSIS OR TESTING — ANALYSIS AND/OR TESTING STRATEGY**

The determination of strategy for delivering on engagement objectives (e.g., analysis, testing of subject matter, tests of controls, preparation of simulations, etc.)

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- Understands characteristics of information being analyzed and any correlation, such as related trends, expectations, benchmarks, assumptions or relationships between the information applicable to the engagement*
- Applies knowledge of trends, expectations, benchmarks, assumptions and relationships between information and develops expected outcomes and relationships between information*
- Analyzes appropriate trends, expectations, benchmarks, assumptions and relationships between information and determines if additional information or actions are required to obtain sufficient support*
- Evaluates the effects of trends, expectations, benchmarks, assumptions and relationship between information; as applicable, communicate the use and limitations of trends, expectations, benchmarks, or assumptions to the client and highlight areas that may be materially effected*

- Understands purpose, scope and use of third-party reports or information (e.g., SOC 1®, SOC 2® reports, SOC 3® reports, valuation reports, actuarial reports, appraisal reports, broker statements, etc.)*
- Identifies the effect of third-party reports or information on analysis and/or testing (e.g., SOC 1®, SOC 2® reports, SOC 3® reports, valuation reports, actuarial reports, appraisal reports, broker statements, etc.)*
- Determines when a third-party report or information is necessary to ensure the appropriate level of expertise is applied to the analysis and evaluates use of third-party reports or information (e.g., SOC 1® reports, SOC 2® reports, SOC 3® reports, valuation reports, actuarial reports, appraisal reports, broker statements, etc.)*
- Approves how third-party reports or information (e.g., SOC 1® reports, SOC 2® reports, SOC 3® reports, valuation reports, actuarial reports, appraisal reports, broker statements, etc.) are being used*

- Understands purpose and limitations of analytical procedures, control testing and substantive testing*
- Applies understanding of relevant governing requirements, analytical procedures, control testing and substantive testing to develop a plan or testing strategy*
- Evaluates and approves plan or testing strategy for analytical procedures, control testing and substantive testing*
- Approves plan or testing strategy for analytical procedures, control testing and substantive testing pertaining to high-risk, complex or unusual subject matters*

*These proficiencies are not applicable to preparation and compilation services.

(Continued on next page)
**ENGAGEMENT ANALYSIS OR TESTING — ANALYSIS AND/OR TESTING STRATEGY (Continued)**

The determination of strategy for delivering on engagement objectives (e.g., analysis, testing of subject matter, tests of controls, preparation of simulations, etc.)

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<td>• Understands linkage between levels and types of risk and the types and amounts of testing*</td>
<td>• Applies understanding of engagement risks, risk factors and current developments to identify high-risk testing areas*</td>
<td>• Evaluates sufficiency of testing in high-risk areas*</td>
<td>• Approves plan or testing strategy for high-risk areas*</td>
</tr>
<tr>
<td>• Understands testing approaches‡</td>
<td>• Analyzes results of testing or procedures to determine if it confirms or disaffirms engagement expectations or objectives‡</td>
<td>• Evaluates testing and recommends improvements/additional procedures‡</td>
<td>• Approves the recommendations and additional procedures related to significant areas of risk‡</td>
</tr>
<tr>
<td>• Identifies and validates relevant data from an undefined set of inputs*</td>
<td>• Analyzes and interprets data from an undefined set of inputs*</td>
<td>• Uses models to complete complex analysis*</td>
<td>• Develops new models to complete complex analysis*</td>
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<td>• Interprets and analyzes large amounts of complex information*</td>
<td>• Evaluates sufficiency of analysis and conclusions*</td>
<td>• Identifies gaps in process, information or methodology in areas of the engagement and resolves gaps as appropriate*</td>
<td>• Evaluates and approves complex research and analysis to support a transaction, event or position*</td>
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<td>• Recognizes that factors exist that can complicate analysis or testing in high-risk areas*</td>
<td>• Understands the specific factors that complicate analysis or testing in complex, high-risk areas and the strategies developed to address these factors*</td>
<td>• Designs or approves analysis or test procedures for complex, high-risk areas*</td>
<td>• Designs new approaches to analyzing or testing recurring and significant areas of risk*</td>
</tr>
<tr>
<td>• Recognizes analytical concepts, tools and methodologies*</td>
<td>• Identifies opportunities to use analytical capabilities to achieve engagement objectives*</td>
<td>• Develops, uses and interprets the results of advanced analytics and adjusts engagement procedures accordingly*</td>
<td>• Develops new strategies to incorporate advanced analytics*</td>
</tr>
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‡These proficiencies are not applicable to preparation services.

*These proficiencies are not applicable to preparation and compilation services.
### ENGAGEMENT ANALYSIS OR TESTING — EVIDENCE EVALUATION

Determines if information and evidence collected supports engagement objectives

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- Understands how data, evidence and/or supporting documentation and analysis thereof confirms or disaffirms engagement expectations or objectives*
- Determines if underlying data or evidence and/or documentation supports the information being assessed*
- Identifies nuances and complexities within data, evidence or supporting documentation that would warrant additional follow-up*
- Evaluates how all data, evidence or documentation collected supports conclusions or recommendations reached in the engagement*
- Aware of third parties and/or specialists involved in an engagement*
- Understands how to leverage the work of third parties and/or specialists, including limitations on use and required documentation*  
- Evaluates the work and/or reports of third parties and/or specialists and documents appropriately*  
- Approves the use of work and/or reports of third parties and/or specialists and its documentation*  
- Understands and performs procedures on the work performed by others to determine its adequacy for purposes of the engagement†  
- Evaluates sufficiency of procedures performed on the work performed by others†  
- Approves procedures performed on the work performed by others†

*These proficiencies are not applicable to preparation and compilation services.
† These proficiencies are only applicable to attestation and audit services.
**ENGAGEMENT ANALYSIS OR TESTING — RESULTS ANALYSIS**

The assessment of results from analyses or tests performed

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<td>• Understands the definition of deviations and the documentation required to support them ‡</td>
<td>• Applies systematic process to determine deviations for all engagement procedures, including deviations identified during analysis and testing ‡</td>
<td>• Evaluates identification of deviations and examines for inconsistency ‡</td>
<td>• Evaluates impact at an aggregated level and determines need for additional procedures or communications, based upon engagement objective ‡</td>
</tr>
<tr>
<td>• Considers the nature of quality reviews, third-party reviews and/or desk and on-site reviews and the potential impact of findings originating during the review process</td>
<td>• Identifies and includes sufficient documentation to support conclusions regarding findings and exceptions ‡</td>
<td></td>
<td>• Prepares for and responds to quality reviews or reviews by third-parties, including desk reviews and on-site reviews</td>
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<tr>
<td>• Articulates how results of analysis and/or testing compare to expectations</td>
<td>• Evaluates how results of analysis and/or testing compare to expectations and affect analysis or testing conclusions</td>
<td>• Evaluates and challenges results of analysis and/or testing pertaining to how they compare to expectations and how they affect analysis or testing conclusions</td>
<td>• Approves conclusions on analysis and/or testing pertaining to how they compare to expectations and how they affect analysis or testing conclusions</td>
</tr>
<tr>
<td>• Understands the definition of findings and exceptions and the documentation required to support them ‡</td>
<td>• Identifies and includes sufficient documentation to support conclusions regarding findings and exceptions ‡</td>
<td>• Evaluates how results of engagement procedures affect other areas or considerations of the engagement ‡</td>
<td>• Challenges summarization and conclusions of results of engagement procedures ‡</td>
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‡ These proficiencies are not applicable to preparation services.
ENGAGEMENT ANALYSIS OR TESTING — RESULTS ANALYSIS (Continued)

The assessment of results from analyses or tests performed

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- Understands the criteria used to assess the significance of findings and exceptions
- Completes a quantitative and qualitative determination of a finding
- Evaluates and challenges the quantitative and qualitative assessment of findings and their impact on conclusions
- Identifies how results of engagement procedures affect other areas of the engagement or the overall engagement conclusion
- Recognizes using the work of others may be integral to the engagement and meeting engagement objectives
- Understands the factors that determine the reliability of the work of others and supports the analysis and assessment of these factors
- Analyzes and assesses the reliability of the work of others and how it affects the overall engagement
- Approves the outcome of the work others and the effect on the engagement

*These proficiencies are not applicable to preparation and compilation services.

‡These proficiencies are not applicable to preparation services.
CONCLUDING THE ENGAGEMENT — CONCLUSION AND RECOMMENDATIONS

The assessment of results from engagement strategies and procedures in order to draw final conclusions and/or make recommendations

**FOUNDATIONAL**
- Remembering and Understanding

**INTERMEDIATE**
- Understanding and Applying

**ADVANCED**
- Analyzing and Evaluating

**EXPERT**
- Evaluating and Creating

- Evaluates results of all engagement procedures and determines potential effect on engagement deliverables (e.g., conclusions, recommendations, communications or reports)

- Synthesizes combined effect of all engagement procedures results to draw conclusions and approves final conclusions reached in each engagement based upon overall assessment of results of engagement procedures

- Approves final conclusions in engagements
CONCLUDING THE ENGAGEMENT — ENGAGEMENT DELIVERABLES

The preparation and delivery of engagement deliverables in accordance with engagement objectives and any applicable governing requirements (e.g., communications, plans, forms, reports)

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- Understands engagement results and deliverable requirements
- Prepares summary of engagement results and deliverables
- Evaluates engagement results and deliverables in light of engagement objectives
- Approves engagement results and deliverables in light of engagement objectives
- Understands the information reported in prescribed formats and on prescribed forms, including supplemental schedules and reports, as applicable
- Prepares deliverables using the prescribed formats and on the prescribed forms, including supplemental schedules and reports, as applicable
- Develops engagement deliverables, including supplemental schedules and reports when no templated or defined deliverables exists
- Communicates engagement results and provides deliverables, including supplemental schedules and reports, to the client, including those charged with governance (as applicable) and makes recommendations (as applicable) based upon engagement findings
- Reproduces templated and defined engagement deliverables (e.g., reports, opinions, forms, communications), including supplemental schedules and reports
- Identifies and summarizes modifications to templated or defined deliverables
- Approves modifications to engagement deliverables and reviews those with the client, ensuring conclusions reached are clearly communicated
- Proposes and constructs reports and deliverables for complex, high-risk engagements
- Understands that reports may be recalled and reissued
- Understands factors that would trigger recall and reissuance of reports and the required process
- Determines whether recall and reissuance of reports is required under the circumstances
- Approves conclusion that reports need to be recalled and reissues reports
- When permitted and within scope of the engagement, prepares and revises financial statements§
- When permitted and within scope of the engagement, evaluates and reviews prepared financial statements§
- When permitted and within scope of the engagement, approves and issues financial statements§

§These proficiencies are only applicable to preparation and compilation services.
## GUIDING PRINCIPLES — GOVERNING REQUIREMENTS

The understanding and evaluation of applicable governing requirements, including laws, regulations, standards, frameworks and principles and criteria, including changes and amendments of the same

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- Recognizes and recalls applicable governing requirements, including laws, regulations, standards, frameworks, and principles and criteria; and related changes and amendments
- Determines, interprets and applies applicable governing requirements, including laws, regulations, standards, frameworks, and principles and criteria; and related changes and amendments
- Evaluates how applicable governing requirements, including laws, regulations, standards, frameworks, principles and criteria; and related changes and amendments apply to complex or unusual transactions, events or engagement objectives
- Recognizes inappropriate application of governing requirements, strategies and advises the client on how best to structure transactions or events to most accurately reflect the reality of the transaction, event or engagement objectives

- Recognizes the structure of the applicable governing requirements (e.g., laws, regulations, standards, etc.) and the bodies that issue them
- Understands the factors that would trigger the applicability of other laws, regulations, standards or frameworks beyond what would normally apply and applies this understanding to research questions
- Identifies the additional requirements triggered by the application of additional criteria (e.g., grant compliance, contract compliance) and alters approach to managing engagements accordingly
- Approves the identification of additional requirements

- Understands the underlying principles of each set of governing requirements
- Identifies when judgment and interpretation is necessary to determine how to apply governing requirements and determines how to apply to a specific set of facts and circumstances
- Evaluates multiple governing requirements, appropriately weighs the evidence and applies most appropriate requirement based upon the authority levels and jurisdictions of the governing requirements and the specific set of facts and circumstances present in the engagement
- Anticipates the impact of various governing requirements, professional standards and guiding principles on engagements and prepares accordingly

(Continued on next page)
The understanding and evaluation of applicable governing requirements, including laws, regulations, standards, frameworks and principles and criteria, including changes and amendments of the same

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- Develops positions on or strategies for complex issues
- When permitted, recommends best position or approach on the basis of formulated positions or strategy
- Aware of regulatory and firm requirements for document retention, client confidentiality and client privilege
- Applies regulatory and firm requirements for document retention, client confidentiality and privilege to client engagements
- Evaluates document retention, client confidentiality and privilege processes against regulatory and firm requirements
- Approves firm and engagement policies and procedures for document retention, client confidentiality and privilege; as necessary, determines how to respond to lapses in document retention and client confidentiality

FOUNDATIONAL
- Remembering and Understanding
- Aware of regulatory and firm requirements for document retention, client confidentiality and client privilege

INTERMEDIATE
- Understanding and Applying
- Applies regulatory and firm requirements for document retention, client confidentiality and privilege to client engagements

ADVANCED
- Analyzing and Evaluating
- Evaluates document retention, client confidentiality and privilege processes against regulatory and firm requirements

EXPERT
- Evaluating and Creating
- Approves firm and engagement policies and procedures for document retention, client confidentiality and privilege; as necessary, determines how to respond to lapses in document retention and client confidentiality
### GUIDING PRINCIPLES — ENGAGEMENT APPROACH/PLAN

Understanding the engagement approach/plan, including relationships and dependencies between various aspects of the engagement and conducting the engagement according to the approach/plan

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<td>• Aware of and follows the engagement approach, methodology and/or plan</td>
<td>• Implements and oversees aspects of the engagement approach, methodology and/or plan</td>
<td>• Establishes and communicates engagement approach, methodology and/or plan</td>
<td>• Evaluates appropriateness of engagement approach, methodology and/or plan</td>
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<td>• Aware of workflow dependencies</td>
<td>• Understands and manages the flow of information, dependencies and the quantity of work requirements</td>
<td>• Manages the flow of information and workflow dependencies across multiple complex engagements to facilitate timely completion; makes recommendations as necessary to improve processes</td>
<td>• Recommends and approves changes to multi-engagement workflows to manage the operational risk of each engagement</td>
</tr>
<tr>
<td>• Understands that there are requirements for limiting the scope of the engagement from what is normally required based on applicable governing standards</td>
<td>• Identifies the requirements for limiting the scope of the engagement</td>
<td>• Determines the requirements for limiting the scope of the engagement have been satisfied</td>
<td>• Evaluates execution of engagement in accordance with established approach, methodology and/or plan</td>
</tr>
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<td>• Recognizes how client transactions, events, accounts or goals affect other aspects of the client and are applicable to the engagement*</td>
<td>• Understands relationships between client transactions, events, accounts or goals and how they affect other aspects of the client and are applicable to the engagement*</td>
<td>• Modifies engagement approach or client recommendations based upon understanding of other aspects of the client or other engagement areas and assessment of the effect of procedures, and evaluates overall engagement conditions that have the potential to negatively affect engagement results*</td>
<td>• Anticipates how client transactions, events, accounts or goals affect engagement results and plans engagement accordingly to be effective and efficient*</td>
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*These proficiencies are not applicable to preparation and compilation services.
**GUIDING PRINCIPLES — ENGAGEMENT DOCUMENTATION**

The process of documenting the engagement such that it provides sufficient evidence of work performed, supports conclusions reached and adheres to applicable governing requirements

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- Understands and follows documentation procedures and protocols
- Documents engagement in accordance with governing requirements and engagement expectations and understands documentation that should be included or excluded to comply with governing requirements and protect firm from risk or penalty
- Evaluates documentation to determine that documentation is properly included or excluded to comply with governing requirements or best practices and to protect from risk or penalty; and reviews, assesses and makes recommendations to improve engagement documentation
- Evaluates whether engagements are documented in accordance with governing requirements or best practices and engagement standards, consults internal or external resources if needed, and communicates with appropriate parties as necessary (i.e., officers, board, audit committee, etc.)
- Is aware of specific subject-matter language used in documentation and communications and knows to ask for clarification if unfamiliar terms are used
- Understands the subject matter language such that documentation and communications use the appropriate terminology to prevent misunderstanding or misinterpretation
- Evaluates documentation and communications to determine that the appropriate terminology is used
- Approves documentation and communications to determine that appropriate terminology is used
- Recognizes and recalls knowledge from similar clients or engagements to new clients and engagements
- Relates and applies knowledge from similar clients or engagements to other clients and engagements
- Identifies and analyzes how knowledge from similar clients or engagements can be applied to other clients and engagements
- Evaluates and communicates commonalities and knowledge that can be leveraged across multiple clients and engagements in order to educate firm professional staff
- Aware of resources for acquiring knowledge of current developments and emerging risks relevant to the types of clients, engagements and/or industries served*
- Understands current developments and emerging risks relevant to the types of clients, engagements and/or industries served*
- Analyzes the impact of current developments and emerging risks relevant to the types of clients, engagements and/or industries served*
- Evaluates the sufficiency of the analysis of current developments and emerging risks relevant to the types of clients, engagements and/or industries served*

*These proficiencies are not applicable to preparation and compilation services.

*(Continued on next page)*
### GUIDING PRINCIPLES — ENGAGEMENT DOCUMENTATION (Continued)

The process of documenting the engagement such that it provides sufficient evidence of work performed, supports conclusions reached and adheres to applicable governing requirements.

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- Recognizes potential gaps in process and information
- Applies critical thinking skills to identify gaps and inconsistencies in information, processes or methodology
- Applies critical thinking skills to evaluate gaps in process, information or methodology in complex areas of the engagement
- Anticipates areas of the engagement requiring higher level critical thinking and modifies engagement approach and plans to address

- Exercises appropriate level of professional skepticism as engagement is performed*
- Challenges the level of professional skepticism applied within the engagement*
- Identifies situations where an inappropriate level of professional skepticism was applied and determines need for additional procedures*
- Evaluates sufficiency and appropriateness of procedures performed*

- Recognizes situations requiring assessment and the need to assess the situation without overstepping the boundaries of the engagement or client relationship
- Assesses situations without overstepping the boundaries of the engagement or client relationship
- Identifies and develops action plans to address situations where achievement of engagement objectives is jeopardized
- Evaluates and approves the action plan to address situations where achievement of engagement objectives is jeopardized

- Understands when to ask for help or engage help of others (including use of experts or specialists) when outside of one’s own knowledge or skill area
- Identifies where one’s own knowledge or skill is limited and proposes solutions (including use of experts or specialists) to obtain the required knowledge or skills
- Analyzes limits of own and engagement team’s knowledge and skills and recommends solutions (including use of experts or specialists) to fill those gaps
- Evaluates limits of own and engagement team’s knowledge and skills and approves solutions (including use of experts or specialists) to fill those gaps

- Understands and challenges, where appropriate, the views of clients and others*
- Formulates positions based on objective assessment of evidence or information*
- Evaluates positions based on objective assessment of evidence or information*
- Approves positions based on overall assessment of the engagement and conclusions*

*These proficiencies are not applicable to preparation and compilation services.