



Agenda Item 2

Omnibus - 2018

Objective of Agenda Item

To consider voting to ballot to expose the proposed SSARS, *Omnibus Statement on Standards for Accounting and Review Services - 2018*.

Background

The ARSC considered drafts of a proposed Omnibus standard at its meetings in November 2016 and January and May 2017. The draft standard proposed requirements and guidance when 1) financial statements are prepared in accordance with a foreign framework (not IFRS) and 2) the compilation or review is to be performed in accordance with the international compilation or review standards. The standard also proposed to move the guidance in Interpretation No. 1, *Considerations Related to Reviews Performed in Accordance With International Standard on Review Engagements (ISRE) 2400 (Revised)* to AR-C section 90 the SSARSs proper resulting in the withdrawal of the interpretation. If passed as a final standard, the proposed standard would result in a new AR-C section 100, *International Reporting Issues*.

The proposed standard also included an amendment to requirements when referencing the work of other accountants in an accountant's review report. The proposed SSARS included amendments to paragraphs.78-.79 of AR-C section 90 that will:

- Preclude the accountant from referencing, in the accountant's review report, the review or audit report of other accountants if such accountant's report is restricted as to use
- Provide guidance when the accountant decides to make reference, in the accountant's review report, to the review or audit report of other accountants of financial statements of a significant component and the other accountant's review or audit is performed in accordance with standards other than SSARSs or auditing standards generally accepted in the United States of America (GAAS)
- Provide review reporting requirements and guidance when the accountant decides to make reference to the review or audit of other accountants who review or audit the financial statements of a significant component which are prepared using a

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different financial reporting framework from that used for the financial statements of the reporting entity

Separately, at the May 2017 ARSC meeting, the Committee considered the accountant's requirements with respect to consideration of going concern in a review performed in accordance with SSARSs in light of the issuance of Statement on Auditing Standards No. 132, *The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern* in February 2017 (which amends the auditor's requirements with respect to reviews of interim financial information). The ARSC directed that the proposed revisions to SSARSs be included in the proposed Omnibus standard as well as additional inquiries and written representations from ISRE 2400 (Revised).

Finally, in order to address an inconsistency between the review reporting requirements in paragraph .39 of AR-C section 90 and the illustrative review reports in Exhibit C to AR-C section 90, the proposed standard includes a technical correction to paragraph .39. It is not anticipated that this technical correction will result in a change in practice.

Action Requested of the ARSC

The ARSC is asked to consider the draft standard and proposed wrap material and to vote to ballot to expose the proposed standard for public comment.

Agenda Items Presented:

Agenda item 2A Draft proposed SSARS, *Omnibus Statement on Standards for Accounting and Review Services - 2018* – clean

Agenda item 2B Draft proposed SSARS, *Omnibus Statement on Standards for Accounting and Review Services - 2018* – redline to show changes from the drafts presented to the ARSC in May 2017

Agenda item 2B will be used for the walk through of the proposed standard.