



Agenda Item 1B (11)

Paragraph specific comments

Hierarchical Name	Respondent	Response	Comments
Nodes\\AR-C section 60 - paragraph .A52	10 - Crowe LLP	We also note that the reference to A56-A58 at the end of A52 should likely be to A54-A56.	
Nodes\\AR-C section 60 - paragraph .A57	10 - Crowe LLP	Also, in A57, we appreciate the guidance about how to proceed when the accountant deems the framework is not acceptable. However, we believe that the use of word “deficiencies” in this guidance may cause confusion, because of the meaning of “deficiency” in auditing standards. We suggest alternate wording, such as: “After the engagement has been accepted, the accountant may determine that the applicable financial reporting	
Nodes\\AR-C section 60, paragraph 7 (Definitions)	10 - Crowe LLP	Consider if the guidance included in A55 and A56 would be more meaningful as guidance to the related definitions in paragraph .07, versus guidance on paragraph	
Nodes\\AR-C section 60, paragraph 7 (Definitions)	10 - Crowe LLP	Related to the changes in definitions proposed in AR-C 60, General Principles for Engagements Performed in Accordance With Statements	

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Nodes\\AR-C section 90 - paragraph .24c	10 - Crowe LLP	<p>on Standards for Accounting and Review Services, we specifically support the revised definition of “financial statements”, which is consistent with the definition now included in the auditing</p> <p>In paragraph 24c, consider changing wording from “risk that the accountant may unknowingly issue an inappropriate ... report” to “risk that the accountant may express an inappropriate</p>	
Nodes\\AR-C section 90 - paragraph .29h	10 - Crowe LLP	<p>We notice the proposed changes to management representations related to going concern in paragraph 29h are inconsistent with the changes recently implemented as part of SSARS 24. We presume this is not the intent and that the representations in the final standard will be consistent with SSARS 24.</p>	
Nodes\\AR-C section 90 - paragraph .33	10 - Crowe LLP	<p>Paragraph 33 includes this wording: “If the accountant identifies significant transactions outside the entity’s normal course of business”. We note SAS 135 recently amended auditing standards to use the definition “significant unusual transactions”; consider if using a similar term or definition would be meaningful in AR-C 90</p>	
Nodes\\AR-C section 90 - paragraph .A114	10 - Crowe LLP	<p>Paragraph A114 references itself within the application guidance.</p>	
Nodes\\AR-C section 90 - paragraph .A125	10 - Crowe LLP	<p>Paragraph A125 indicates that “The accountant is required to include an emphasis-of-matter or other-matter paragraph...”;</p>	

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Nodes\\AR-C section 90 - paragraph .A49	10 - Crowe LLP	<p>hence we believe this paragraph (including the ensuing bullet points) should be provided as a specific standard requirement as opposed to as</p> <p>In paragraph A49, consider providing examples of “others within the entity” to help practitioners assess if there are others they should make inquiries of, as done in the application guidance of AU-C</p>	
Nodes\\AR-C section 90 - paragraph .A51	10 - Crowe LLP	<p>In paragraph A51, we suggest the wording be modified to match the new “e” as opposed to the stricken “g”.</p>	
Nodes\\AR-C section 90 - paragraph .A67	19 - Grant Thornton	<p>Additionally, the proposed example in paragraph .A67 of AR-C section 90 related to follow-up procedures for accounts receivable may be better positioned as implementation guidance</p>	
Nodes\\AR-C section 90 - paragraph 8	21 - Deloitte	<p>D&T noted the enhanced definition of review evidence in paragraph 8 of AR-C 90 of the proposed ED includes the concepts of sufficiency and appropriateness of review evidence. While we understand the rationale for broadening the definition we do not believe it is appropriate at this time to include these concepts without providing a framework as to how to evaluate information to be used as review evidence. Further, the amendments in the proposed ED do not align with those in the proposed SAS, Audit Evidence, and may result in the definitions in the SSARS differing from those in the SASs, an untenable situation when obtaining review evidence in accordance with AU-C 930, AT-</p>	

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Nodes\\AR-C section 90 - paragraphs .27-.28	10 - Crowe LLP	C 210, and AR-C 90 of the proposed ED. There should be a common understanding among professionals when executing review engagements as to what	
Nodes\\AR-C section 90 - paragraphs .27-.28	10 - Crowe LLP	We are unclear why extant paragraphs .27 and .28 (and A49 and A50) to evaluate uncorrected misstatements individually and in the aggregate were removed from AR-C 90 in the proposed SSARS. We believe this is an important part of evaluating if misstatements are material to the financial statements. We did not find other language that includes these requirements	
Nodes\\AR-C section 90 - paragraphs .27-.28	14 - RSM US LLP	We believe that the requirements in extant paragraphs AR-C 90.27 and .28 relating to accumulating uncorrected misstatements would continue to be useful for users and have not been sufficiently replaced by the new requirements in proposed paragraphs AR-C 90.19 and .62.	
Nodes\\AR-C section 90 - paragraphs 22-23	19 - Grant Thornton	We noted that in paragraph 62 of AR-C section 90 the accountant is required to consider the qualitative aspects of accounting practices for possible bias. Paragraphs 22 and 23 detail the requirements for obtaining an understanding of the entity including the accounting principles and practices with paragraph 23 requiring an identification of anything 'unusual'. In order to align the understanding with the proposed changes in paragraph 62, we recommend the ARSC expand the understanding of the practices	

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		to include an understanding of those policies and practices that are qualitative in nature and provide application guidance including examples such as estimates, and the susceptibility of qualitative determinations to	
Nodes\\AR-C section 90 paragraph .25a	10 - Crowe LLP	For paragraph .25a, we recommend removing “, including disclosures” since this is clear in the definition of financial statements provided in AR-C 60 and therefore is	
Nodes\\Other comments - Additional illustrative reports needed	10 - Crowe LLP	We also believe it would be helpful to provide a review report illustration for financial statements prepared in accordance with a contractual basis of accounting, including wording that restricts the use of	
Nodes\\Other comments - suggested revisions to paragraph references	10 - Crowe LLP	See comment letter.	
Nodes\\Overall comment - Need for consistency with SASs and SSAEs	21 - Deloitte	While we support convergence and minimizing differences between AR-C 90 of the proposed ED and ISRE 2400 (Revised), we believe certain proposed amendments to AR-C 90 of the proposed ED may result in inconsistencies as it relates to the suite of professional standards pertaining to review engagements performed within the United States. D&T believes that having defined terms (or no definitions as the case may be) and performance requirements that are similarly aligned within our jurisdiction is	

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important for the consistent execution of all review engagements of historical financial information. This will alleviate confusion for accountants when they are also performing review procedures in accordance with the Statement on Auditing Standard (SAS) No. 122, Statements on Auditing Standards: Clarification and Recodification, as amended, specifically AU-C section 930, Interim Financial Information (AU-C 930), and Statements on Standards for Attestation Engagements (SSAE) No. 18, Attestation Standards: Clarification and Recodification, specifically section 210, Review Engagements (AT-C 210).

Further, there are a number of proposals issued by both the Auditing Standards Board (ASB) and ARSC that are currently being exposed for public comments, including:

Proposed SSAE, Amendments to the Description of the

Statement on Standards for Attestation Engagements No. 18, Attestation Standards: Clarification and Recodification, which includes amendments to AT-C 210.

Proposed SAS, Amendments to Sections 800, 805, and 810 to Incorporate Auditor Reporting Changes From SAS no. 134,

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which addresses special purpose frameworks.

Proposed SAS, Audit Evidence, which may affect more broadly how the profession evaluates information obtained to be used as audit evidence.

In each instance the finalization of the respective SSAEs and SASs may have a related impact that the ARSC may wish to consider as it pertains to AR-C 60 and AR-C 90 of the proposed ED. In order to avoid undue disruption to accountants performing review engagements of financial statements by making further possible amendments to the SSARS, D&T suggests that it