

Contents

Section	Paragraph
60 <i>General Principles for Engagements Performed in Accordance With Statements on Standards for Accounting and Review Services</i>.....	.01–.A50
Introduction	
Scope of This Section.....	.01–.03
Effective Date .....	.04
Objective .....	.05
Definitions .....	.06
Requirements	
Financial Statements.....	.07
Ethical Requirements .....	.08
Professional Judgment .....	.09
Conduct of the Engagement in Accordance With SSARs.....	.10–.18
Engagement Level Quality Control .....	.19–.23
Acceptance and Continuance of Client Relationships and Engagements .....	.24–.25
Application and Other Explanatory Material	
Financial Statements.....	.A1–.A10
Ethical Requirements .....	.A11–.A14
Professional Judgment .....	.A15–.A19
Conduct of an Engagement in Accordance With SSARs.....	.A20–.A36
Engagement Level Quality Control .....	.A37–.A43
Acceptance and Continuance of Client Relationships and Engagements to Prepare Financial Statements .....	.A44–.A49

Exhibit—Other Preparation, Compilation and Review Publications..... .A50

70 *Preparation of Financial Statements*..... .01–.A20

Introduction

Scope of This Section..... .01–.02

The Preparation Engagement03–.04

Effective Date05

Objective06

Definitions07

Requirements

General Principles for Performing Engagements to Prepare Financial Statements..... .08

Acceptance and Continuance of Client Relationships and Engagements to Prepare Financial Statements09

Agreement on Engagement Terms..... .10–.11

The Accountant’s Knowledge and Understanding of the Entity’s Financial Reporting Framework..... .12

Preparing the Financial Statements..... .13–.18

Financial Statements That Omit Substantially All the Disclosures Required by the Applicable Financial Reporting Framework..... .19–.20

Documentation in a Preparation Engagement..... .21–.22

Application and Other Explanatory Material

Scope of This Section..... .A1–.A2

The Preparation EngagementA3

Definitions..... .A4

Agreement on Engagement Terms..... .A5–.A9

	The Accountant’s Knowledge and Understanding of the Entity’s Financial Reporting Framework.....	A10
	Preparing the Financial Statements.....	A11–A15
	Financial Statements That Omit Substantially All the Disclosures Required by the Applicable Financial Reporting Framework.....	A16–A17
	Documentation in a Preparation Engagement.....	A18
	Appendix—Preparation of Financial Statements Versus Assistance in Preparing Financial Statements.....	A19
	Exhibit—Illustrative Engagement Letter.....	A20
80	<i>Compilation Engagements</i> .....	.01–A43
	Introduction	
	Scope of This Section.....	.01
	The Compilation Engagement.....	.02
	Effective Date .....	.03
	Objective .....	.04
	Definitions .....	.05
	Requirements	
	General Principles for Performing and Reporting on Compilation Engagements.....	.06
	Independence .....	.07
	Acceptance and Continuance of Client Relationships and Compilation Engagements .....	.08–.09
	Agreement on Engagement Terms.....	.10–.11
	The Accountant’s Knowledge and Understanding of the Entity’s Financial Reporting Framework.....	.12
	Compilation Procedures.....	.13–.16
	The Accountant’s Compilation Report .....	.17

The Accountant's Compilation Report on Financial Statements Prepared in Accordance With a Special Purpose Framework.....	.18–.21
Reporting When the Accountant Is Not Independent.....	.22–.23
Reporting on Financial Statements That Omit Substantially All the Disclosures Required by the Applicable Financial Reporting Framework .....	.24–.26
Reporting Known Departures From the Applicable Financial Reporting Framework .....	.27–.31
Supplementary Information That Accompanies Financial Statements and the Accountant's Compilation Report Thereon .....	.32–.34
Required Supplementary Information .....	.35–.37
Documentation in a Compilation Engagement.....	.38

Application and Other Explanatory Material

Scope of This Section.....	.A1
Definitions.....	.A2
Independence .....	.A3
Acceptance and Continuance of Client Relationships and Compilation Engagements .....	.A4–.A5
Agreement on Engagement Terms.....	.A6–.A11
The Accountant's Knowledge and Understanding of the Entity's Financial Reporting Framework.....	.A12
Compilation Procedures.....	.A13–.A18
The Accountant's Compilation Report .....	.A19–.A22
The Accountant's Compilation Report on Financial Statements Prepared in Accordance With a Special Purpose Framework.....	.A23–.A27
Reporting When the Accountant Is Not Independent.....	.A28–.A30

Reporting on Financial Statements That Omit Substantially All the Disclosures Required by the Applicable Financial Reporting Framework	A31–A32
Reporting Known Departures From the Applicable Financial Reporting Framework	A33–A34
Supplementary Information That Accompanies Financial Statements and the Accountant’s Compilation Report Thereon	A35–A38
Required Supplementary Information.....	A39–A41
Exhibit A—Illustrative Engagement Letters.....	A42
Exhibit B—Illustrative Examples of the Accountant’s Compilation Report on Financial Statements	A43
90 <i>Review of Financial Statements</i> .....	.01–A147
Introduction	
Scope and Applicability of This Section.....	.01–.02
Effective Date .....	.03
Objective .....	.04
Definitions .....	.05
Requirements	
General Principles for Performing and Reporting on Review Engagements .....	.06
Independence .....	.07
Acceptance and Continuance of Client Relationships and Review Engagements .....	.08–.10
Agreement on Engagement Terms.....	.11–.12
Communication With Management and Those Charged With Governance .....	.13
Understanding of the Industry .....	.14

Knowledge of the Entity.....	.15–.16
Designing and Performing Review Procedures.....	.17–.18
Analytical Procedures .....	.19–.21
Inquiries of Members of Management Who Have Responsibility for Financial and Accounting Matters .....	.22–.23
Reading the Financial Statements .....	.24
Using the Work of Other Accountants.....	.25
Reconciling the Financial Statements to the Underlying Accounting Records .....	.26
Evaluating Evidence Obtained From the Procedures Performed.....	.27–.31
Written Representations.....	.32–.37
Reporting on the Financial Statements .....	.38–.39
Accountant’s Review Report on Financial Statements Prepared in Accordance With a Special Purpose Framework.....	.40–.44
Comparative Financial Statements .....	.45–.50
Communicating to Management and Others Regarding Fraud or Noncompliance With Laws and Regulations.....	.51
Emphasis-of-Matter and Other-Matter Paragraphs in the Accountant’s Review Report.....	.52–.55
Known Departures From the Applicable Financial Reporting Framework.....	.56–.60
Alert That Restricts the Use of the Accountant’s Review Report.....	.61–.64
The Accountant’s Consideration of an Entity’s Ability to Continue as a Going Concern .....	.65–.68
Subsequent Events and Subsequently Discovered Facts.....	.69–.77

Reference to the Work of Other Accountants in
 an Accountant’s Review Report 78–79

Supplementary Information That Accompanies
 Reviewed Financial Statements 80–82

Required Supplementary Information..... 83–85

Change in Engagement From Audit to Review 86–90

Review Documentation 91–92

Application and Other Explanatory Material

Scope and Applicability of This Section..... A1–A2

Objective A3–A8

Definitions..... A9

Independence A10–A11

Acceptance and Continuance of Client
 Relationships and Review Engagements A12–A13

Agreement on Engagement Terms..... A14–A19

Communication With Management and
 Those Charged With Governance..... A20–A26

Understanding of the Industry..... A27

Knowledge of the Entity..... A28–A29

Designing and Performing Review Procedures... A30–A31

Analytical Procedures A32–A39

Inquiries of Members of Management Who
 Have Responsibility for Financial and
 Accounting Matters..... A40–A43

Reconciling the Financial Statements to the
 Underlying Accounting Records A44

Evaluating Evidence Obtained From the
 Procedures Performed..... A45–A47

Written Representations..... A48–A61

Reporting on the Financial Statements A62–A77

Accountant’s Review Report on Financial Statements Prepared in Accordance With a Special Purpose Framework..... A78–A82

Comparative Financial Statements A83–A86

Communicating to Management and Others Regarding Fraud or Noncompliance With Laws and Regulations..... A87–A90

Emphasis-of-Matter and Other-Matter Paragraphs in the Accountant’s Review Report..... A91–A100

Known Departures From the Applicable Financial Reporting Framework..... A101–A106

Alert That Restricts the Use of the Accountant’s Review Report..... A107–A111

The Accountant’s Consideration of an Entity’s Ability to Continue as a Going Concern A112–A116

Subsequent Events and Subsequently Discovered Facts..... A117–A124

Reference to the Work of Other Accountants in an Accountant’s Review Report A125–A127

Supplementary Information That Accompanies Reviewed Financial Statements A128–A131

Required Supplementary Information..... A132–A134

Change in Engagement From Audit to Review A135–A137

Review Documentation A138–A142

Appendix A—Analytical Procedures the Accountant May Consider Performing When Conducting a Review of Financial Statements..... A143

Appendix B—Unusual or Complex Situations to Be Considered by the Accountant When Performing Inquiry Procedures in a Review of Financial Statements A144

Exhibit A—Illustrative Engagement Letters..... .A145

Exhibit B—Illustrative Representation Letter..... .A146

**Exhibit C—Illustrations of Accountant’s Review
Reports on Financial StatementsA147**

<http://www.pbookshop.com>

<http://www.pbookshop.com>