

Table of Contents

Chapter 1	1-1
FASB Accounting Standards Updates – Broad Issues	1-1
FASB ASU No. 2016-15, <i>Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments (a consensus of the Emerging Issues Task Force)</i>	1-2
FASB ASU No. 2016-18, <i>Statement of Cash Flows (Topic 230): Restricted Cash (a consensus of the FASB Emerging Issues Task Force)</i>	1-5
FASB ASU No. 2017-04, <i>Intangibles—Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment</i>	1-7
FASB ASU No. 2017-05, <i>Other Income—Gains and Losses from Derecognition of Nonfinancial Assets (Subtopic 610-20): Clarifying the Scope of Asset Derecognition Guidance and Accounting for Partial Sales of Nonfinancial Assets</i>	1-9
FASB ASU No. 2017-07, <i>Compensation—Retirement Benefits (Topic 715): Improving the Presentation of Net Period Pension Cost and Net Periodic Postretirement Benefit Cost</i>	1-11
FASB ASU No. 2018-02, <i>Income Statement—Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Comprehensive Income</i>	1-13
FASB ASU No. 2018-13, <i>Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement</i>	1-15
FASB ASU No. 2018-17, <i>Consolidation Topic 810: Targeted Improvements to Related Party Guidance for Variable Interest Entities—Decision-Making Fees</i>	1-17
FASB ASU No. 2019-03, <i>Not-for-Profit Entities Topic 958: Updating the Definition of Collections</i>	1-19
FASB ASU No. 2019-06, <i>Extending the Private Company Accounting Alternatives on Goodwill and Certain Identifiable Intangible Assets to Non-for-Profit Entities</i>	1-21
FASB ASU No. 2019-12, <i>Income Taxes Topic 740: Simplifying the Accounting for Income Taxes</i>	1-23
Chapter 2	2-1
FASB Accounting Standards Updates – Narrow Issues	2-1
FASB ASU No. 2017-06, <i>Plan Accounting: Defined Benefit Plans (Topic 960), Defined Contribution Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965): Employee Benefit Plan Master Trust Reporting (a consensus of the Emerging Issues Task Force)</i>	2-2
FASB ASU No. 2017-08, <i>Receivables-Nonrefundable Fees and Other Costs (Subtopic 310-20): Premium Amortization on Purchased Callable Debt Securities</i>	2-4
FASB ASU No. 2018-14, <i>Compensation—Retirement Benefits—Defined Benefit Plans—General (Subtopic 715-20): Disclosure Framework—Changes to the Disclosure Requirements for Defined Benefit Plans</i>	2-6

FASB ASU No. 2018-15, <i>Intangibles—Goodwill and Other—Internal Use Software (Subtopic 350-40): Customer’s Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That is a Service Contract</i>	2-8
FASB ASU No. 2019-02, <i>Improvements to Accounting for Costs of Films and License Agreements for Program Materials</i>	2-10
FASB ASU No. 2019-08, <i>Codification Improvements—Share-Based Consideration Payable to a Customer</i>	2-12
Chapter 3	3-1
Revenue Recognition, Financial Instruments, and Leases	3-1
FASB ASU No. 2014-09, <i>Revenue from Contracts with Customers (Topic 606)</i>	3-2
FASB ASU No. 2016-13, <i>Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments</i>	3-23
FASB ASU 2019-05, <i>Financial Instruments—Credit Losses (Topic 326) Targeted Transition Relief</i>	3-32
FASB ASU NO 2019-11, <i>Codification Improvements to Topic 326, Financial Instruments-Credit Losses</i>	3-33
FASB ASU No. 2017-12, <i>Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities</i>	3-36
FASB ASU No. 2018-16, <i>Derivatives and Hedging (Topic 815): Inclusion of the Secured Overnight Financing Rate (SOFR) Overnight Index Swap (OIS) Rate as a Benchmark Interest Rate for Hedge Accounting Purposes</i>	3-39
FASB ASU No. 2016-02, <i>Leases (Topic 842)</i>	3-40
FASB ASU No. 2018-11, <i>Lease Accounting, Targeted Improvements</i>	3-52
FASB ASU No. 2018-20, <i>Leases (Topic 842) Narrow-Scope Improvements for Lessors</i>	3-53
Chapter 4	4-1
Private Company Financial Reporting	4-1
Private Company Council	4-2
FASB ASU No. 2013-12, <i>Definition of a Public Business Entity—An Addition to the Master Glossary</i>	4-5
FASB ASU No. 2016-03, <i>Intangibles—Goodwill and Other (Topic 350), Business Combinations (Topic 805), Consolidation (Topic 810), Derivatives and Hedging (Topic 815): Effective Date and Transition Guidance (a consensus of the Private Company Council)</i>	4-7
FASB ASU No. 2014-02, <i>Intangibles—Goodwill and Other (Topic 350): Accounting for Goodwill (a consensus of the Private Company Council)</i>	4-9
FASB ASU No. 2014-03, <i>Derivatives and Hedging (Topic 815): Accounting for Certain Receive-Variable, Pay-Fixed Interest Rate Swaps—Simplified Hedge Accounting Approach (a consensus of the Private Company Council)</i>	4-12
FASB ASU No. 2014-07, <i>Consolidation (Topic 810): Applying Variable Interest Entities Guidance to Common Control Leasing Arrangements (a consensus of the Private Company Council)</i>	4-15

FASB ASU No. 2014-18, <i>Business Combinations (Topic 805): Accounting for Identifiable Intangible Assets in a Business Combination</i> (a consensus of the Private Company Council)	4-17
FASB ASU 2018-17, <i>Consolidation Topic 810: Targeted Improvements to Related Party Guidance for Variable Interest Entities</i>	4-19
Current PCC activities	4-21
Chapter 5	5-1
FASB Exposure Drafts and Projects	5-1
Framework projects	5-2
Recognition and measurement projects	5-5
Presentation and disclosure projects	5-8
Chapter 6	6-1
The Current Environment and Implications for Audit Planning	6-1
Understanding the entity and its environment	6-2
Current economic factors	6-4
Enhancing risk assessment processes	6-14
Audit planning considerations	6-18
Summary	6-21
Chapter 7	7-1
New Statements on Auditing Standards	7-1
SAS No. 134: Auditor Reporting	7-3
SAS No. 135: Omnibus SAS-2019	7-12
SAS No. 136: Reporting on Employee Benefit Plan Financial Statements	7-16
SAS No. 137 – Auditor Responsibility for Other Information in Annual Reports	7-21
SAS No. 138 – Description of Materiality	7-24
SAS No. 139 – Amendments to AU-C Sections 800, 805, and 810	7-26
SAS No. 140 – Amendments to AU-C Sections 725, 730, 930, 935, and 940	7-27
Summary	7-29
Chapter 8	8-1
Other Standards-Setting Activities Affecting Audit and Attestation Engagements	8-1
Exposure drafts of proposed SASs	8-2
Recently issued attestation standards	8-9
Outstanding exposure draft of proposed revisions to SSAEs	8-13
Summary	8-15

Chapter 9	9-1
PCAOB Update	9-1
Recently issued PCAOB auditing standards	9-2
Recently issued exposure drafts of proposed PCAOB auditing standard	9-17
Summary	9-21
Chapter 10	10-1
Preparation, Compilation, and Review Engagement Update	10-1
Reminder of SSARS-related engagements	10-2
SSARS No. 24 – Omnibus SSARS–2018	10-3
SSARS No. 25, <i>Materiality in a Review of Financial Statements and Adverse Conclusions</i>	10-12
Summary	10-17
Chapter 11	11-1
Other Recently Issued Guidance	11-1
Overview of COSO	11-2
AICPA audit quality initiative	11-14
CAQ audit quality framework	11-18
Staying abreast of emerging technologies	11-20
Summary	11-22
Glossary	Glossary 1
Index	Index 1
Solutions	Solutions 1
Chapter 1	Solutions 1
Chapter 2	Solutions 2
Chapter 3	Solutions 3
Chapter 4	Solutions 4
Chapter 6	Solutions 5
Chapter 7	Solutions 7
Chapter 8	Solutions 10
Chapter 9	Solutions 11
Chapter 10	Solutions 13
Chapter 11	Solutions 15