**INSERT YOUR FIRM’S LOGO/BRANDING HERE**

**Peer Review**

**Peer Review extension – Reminder!**

The AICPA Peer Review Board (PRB) continues to take the COVID-19 pandemic very seriously and recognized the impact the pandemic had on firms when determining if their peer reviews could be performed by its due date. In efforts to assist members, the PRB granted CPA firms with original peer review due dates between January 1, 2020, and September 30, 2020, an automatic six-month extension to provide relief.

For firms that perform engagements under generally accepted government auditing standards (GAGAS), the U.S. Government Accountability Office (GAO) indicated that it would not require concurring approval for any pandemic related peer review extensions during the PRB extension. For peer reviews with an original due date after September 30, 2020, you should follow normal GAO guidance as it relates to external peer review extensions. Per GAGAS, “In cases of unusual difficulty or hardship, extensions of the deadlines for submitting peer review reports exceeding 3 months beyond the due date may be granted by the entity that administers the peer review program with the concurrence of GAO.”

If your firm performs GAGAS engagements, please don’t forget to take these requirements into account when requesting an extension!

Refer to the AICPA Peer Review Program [website](https://www.aicpa.org/interestareas/peerreview.html) for additional information, including details on the extension.

**Revenue recognition: 4 top concerns noted by peer reviewers**

To learn where challenges exist for entities and their auditors, the AICPA conducted a survey of peer reviewers, asking them to identify the areas where their firm or their peer review clients have experienced challenges in auditing revenue recognition. Over 230 peer reviewers responded to the survey to share what they've seen or experienced relative to the new accounting standard, FASB Accounting Standards Codification (ASC) Topic 606, *Revenue From Contracts With Customers*. The biggest Topic 606-related challenges were identified as the following:

* Assessing associated risks
* Understanding of contracts
* Did management appropriately apply Topic 606?
* Evaluating management's process for developing estimate(s)

Read the full story from the [*Journal of Accountancy*](https://www.journalofaccountancy.com/issues/2021/nov/revenue-recognition-concerns-peer-reviewers.html).

**Have you considered reviewer independence implications if additional services are performed for your firm?**

As a condition of acceptance of your firm’s peer review and cooperation with the administering entity and the PRB, your firm may be required to have an outside party perform corrective action(s) or implementation plan(s). Your firm may want a member of your peer review team to perform the service. However, there are circumstances, such as if your firm received an extension due to COVID-19 or other extenuating circumstances that caused delays, where performing the service may impair the person’s independence and ability to perform your firm’s next peer review as captain or team member (or anyone in their firm).

For example, the person would be considered independent to perform the next peer review if he or she performs the pre-issuance review on an engagement with a period- or year-ending (report date for financial forecasts, projections, and agreed upon procedures) in the year immediately after the peer review year. However, AICPA Peer Review Standards Interpretation No. 21-4, indicates that the person would not be considered independent (and thus would not be eligible to perform the next peer review) if he or she performs the pre-issuance review on an engagement with a year-ending in the year immediately before or during your firm’s next peer review year. An important factor to consider is the year-end of the engagement, not necessarily when the pre-issuance review is performed. As an example, see the following scenario:

Peer review year: **Jan 1, 2020 – Dec 31, 2020**

The year after the peer review year end: **Jan 1, 2021 – Dec 31, 2021** – The person would remain independent if the pre-issuance reviews were on engagements with years-ending during this period.

The year immediately preceding the next peer review: **Jan 1, 2022 – Dec 31, 2022** or the year within the peer review year**: Jan 1, 2023- Dec 31, 2023** – The person’s independence would be impaired for the next peer review if he or she performed pre-issuance reviews on engagements with years-ending during these periods.

Likewise, the person would be considered independent on your firm’s next peer review if he or she performs any service involving your firm’s system of quality control for or during the year immediately after the previous peer review year. Such services include reviewing or performing your firm’s annual internal monitoring, reviewing your firm’s completion of the intended remedial actions in your Letter of Response or Findings for Further Consideration, and reviewing your firm’s Quality Control Document.

If a member of your peer review team cannot perform the service, he or she may recommend who can. Additionally, the [Peer Reviewer Search](https://peerreview.aicpa.org/reviewer_Search.html) includes peer reviewers who have indicated on their resumes that they are willing to perform these services – select “I am a firm looking for an outside party or subject matter expert to perform consulting services for my firm” to identify an outside party.

**Single Audits and SOC tools**

**Do your clients need a single audit?**

The changes to the accounting profession in response to the COVID-19 pandemic have been swift. Legislation such as the CARES Act and the American Rescue Plan Act of 2021 have provided historic levels of federal funding to states and localities, not-for-profits, and other entities. With this new funding, many organizations may find themselves subject to a single audit for the first time. Single audits have a significant public interest component as they are relied on by federal agencies as part of their responsibilities for determining compliance with requirements of federal awards by nonfederal entities.

If your client expends $750,000 or more in federal awards in a fiscal year, a single audit is likely required. These funds can be provided directly from the federal agencies or pass-through entities such as state and local agencies or not-for-profit organizations. The single audit is a highly specialized organization-wide audit intended to provide assurance that a nonfederal entity has adequate internal controls in place and is in compliance with program requirements.

In conjunction to any single audits conducted, an audit in accordance with generally accepted government auditing standards (GAGAS) is also required.

If your firm performs a single audit engagement, it will be required to have a system peer review, which includes a review of your firm’s system of quality control and at least one single audit engagement (or the audit of those compliance requirements and internal controls over compliance with those requirements).

For more information on single audits, consider the following resources:

* To assist in understanding new programs that require single audits, [GAQC Summary of Uniform Guidance Applicability for New COVID-19 Related Federal Programs](https://nam12.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.aicpa.org%2Fcontent%2Fdam%2Faicpa%2Finterestareas%2Fgovernmentalauditquality%2Fresources%2Fsingleaudit%2Funiformguidanceforfederalrewards%2Fdownloadabledocuments%2Fgaqc-summary-of-applicability-for-new-coronavirus-related-fed-programs-20200616.pdf&data=04%7C01%7CKaren.Aylor%40aicpa-cima.com%7C7bc2438302964c47a31808d98eb23895%7Cab44e261e3294327bbdd17a5478226a1%7C1%7C0%7C637697719442025709%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C3000&sdata=3496uTQjTdDIaOwHcp1GAgTRh%2FqykaOZZyOd%2B%2FUT8MM%3D&reserved=0).
* For additional information related to performing single audits under the Uniform Guidance, AICPA’s [Governmental Audit Quality Center](https://nam12.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.aicpa.org%2Finterestareas%2Fgovernmentalauditquality%2Fresources%2Fsingleaudit%2Funiformguidanceforfederalrewards.html&data=04%7C01%7CKaren.Aylor%40aicpa-cima.com%7C7bc2438302964c47a31808d98eb23895%7Cab44e261e3294327bbdd17a5478226a1%7C1%7C0%7C637697719442035702%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C3000&sdata=i%2FvFesZHbieTo0dZUJSyqPLOr6KAb3tAvZjjG6%2BMMhI%3D&reserved=0), including its [COVID-19 Resources](https://nam12.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.aicpa.org%2Finterestareas%2Fgovernmentalauditquality%2Fresources%2Fsingleaudit%2Funiformguidanceforfederalrewards.html%23COVID&data=04%7C01%7CKaren.Aylor%40aicpa-cima.com%7C7bc2438302964c47a31808d98eb23895%7Cab44e261e3294327bbdd17a5478226a1%7C1%7C0%7C637697719442045697%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C3000&sdata=4KI%2BCxIpbh3GogfhkKTpF14izcZLHv4yXGzwY2Cr8uI%3D&reserved=0) page.
* For helpful resources for experienced single auditors, [Increased demand for single audit engagements](https://www.aicpa.org/interestareas/peerreview/specializedaudits.html).
* For additional questions related to peer review, contact the technical hotline at 919.402.4502 or prsupport@aicpa.org.

***Effect of the Use of Software Tools in SOC 2® Examinations***

The AICPA staff has issued Frequently Asked Questions (FAQs) titled, *[Effect of the Use of Software Tools in SOC 2® Examinations](https://future.aicpa.org/resources/article/faqs-effect-of-the-use-of-software-tools-on-soc-2-r-examinations)*. The FAQs address an increasing number of software solutions intended to improve the efficiency with which service organizations can prepare for and undergo SOC 2 examinations.[[1]](#footnote-1)[1] Such software solutions, referred to as SOC 2 tools in the document, that are properly designed, configured and managed to meet the objectives of a service organization’s environment may benefit interactions between the service organization and the service auditor during a SOC 2 examination. However, there are certain risks that may arise from the use of such tools.

The FAQs describe the potential risks of using SOC 2 tools, how those risks may affect the ways in which the service auditor meets relevant responsibilities in a SOC 2 examination, and the professional and ethical responsibilities that a service auditor may need to consider before entering into certain business relationships with providers of SOC 2 tools. The FAQs represent the views of AICPA staff based on the input of members of the AICPA Assurance Service Executive Committee’s SOC 2 working group.



**Standards**

**SAS No. 134, *Auditor Reporting and Amendments, Including Amendments Addressing Disclosures in the Audit of Financial Statements*, as amended**

Required implementation is right around the corner for Statement on Auditing Standards (SAS) No. 134, *Auditor Reporting and Amendments, Including Amendments Addressing Disclosures in the Audit of Financial Statements*. SAS No. 134, as amended, is effective for audits of financial statements for periods ending on or after December 15, 2021, with early implementation permitted.

SAS No. 134 replaces AU-C sections 700B, 705B and 706B and introduces a new section 701. SAS No. 134 contains the following sections:

* **Section 700, *Forming an Opinion and Reporting on Financial Statements***, codified in AU-C section 700 of AICPA *Professional Standards*, is the foundational section that addresses the auditor’s responsibility to form an opinion on the financial statements and prescribes the form and content of the auditor’s report when issuing an unmodified “clean” opinion. This section also includes an appendix of amendments to various AU-C sections relating to auditor reporting and disclosures.
* **Section 705, *Modifications to the Opinion in the Independent Auditor’s Report***, codified in AU-C section 705 of AICPA *Professional Standards*, addresses the form and content of the report when the auditor concludes that a clean auditor’s opinion in accordance with section 700 is not appropriate (qualified, adverse, or disclaimer of opinion).
* **Section 706, *Emphasis-of-Matter Paragraphs and Other-Matter Paragraphs in the Independent Auditor’s Report***, codified in AU-C section 706 of AICPA *Professional Standards*, addresses additional communications in the auditor’s report (emphasis-of-matter and other-matter paragraphs).
* **New! Section 701, *Communicating Key Audit Matters in the Independent Auditor’s Report,*** codified in AU-C section 701 of AICPA *Professional Standards*, addresses the auditor’s responsibility to communicate key audit matters (KAMs) in the auditor’s report when the auditor is engaged to do so. SAS No. 134, as amended, does NOT require the communication of KAMs.

In addition to the auditor reporting content, SAS No. 134, as amended, also amends various AU-C sections to focus auditor attention on disclosures throughout the audit process AICPA staff has prepared an “[At a glance](https://us.aicpa.org/content/dam/aicpa/research/standards/auditattest/downloadabledocuments/sas-134-at-a-glance.pdf)” [document](https://www.aicpa.org/content/dam/aicpa/research/standards/auditattest/downloadabledocuments/ssae-19-at-a-glance.pdf) to provide a detailed summary of the standard.

**SAS No. 136, *Forming an Opinion and Reporting on Financial Statements of Employee Benefit Plans Subject to ERISA*, as amended**

Statement on Auditing Standards (SAS) No. 136, *Forming an Opinion and Reporting on Financial Statements of Employee Benefit Plans Subject to ERISA* (EBP SAS), as amended, is effective for audits of financial statements for periods ending on or after December 15, 2021. Early implementation is permitted. The EBP SAS prescribes certain new performance requirements for an audit of financial statements of employee benefit plans subject to the Employee Retirement Income Security Act of 1974 (ERISA) and changes the form and content of the related auditor’s report. It should not be adapted for plans that are not subject to ERISA. The EBP SAS, as amended, has been codified in new AU-C section 703 of the AICPA *Professional Standards*.

The EBP SAS, as amended, specifically addresses requirements for:

* Engagement acceptance
* Audit risk assessment and response, including the auditor’s consideration of relevant plan provisions
* Communications of reportable findings with those charged with governance
* The auditor’s responsibilities relating to the ERISA-required supplemental schedules and the Form 5500
* The form and content of the related auditor’s report

Formerly referred to as a “limited-scope audit,” the EBP SAS refers to this type of audit as an “ERISA section 103(a)(3)(C) audit.” The EBP SAS clarifies what is expected of the auditor, including specific procedures when performing an ERISA section 103(a)(3)(C) audit, and establishes a new form of report that provides greater transparency about the scope and nature of the audit and describes the procedures performed on the certified investment information.

**New FAQ for EBP Auditors**

In September 2021, the AICPA issueda new resource for auditors of ERISA plan financial statements. The [*Employee Benefit Plans Industry FAQ with Illustrative Auditor’s Reports for Initial Year of Implementation of SAS No. 136, as Amended*](https://www.aicpa.org/content/dam/aicpa/interestareas/frc/auditattest/downloadabledocuments/sas-136-illustrations.pdf), provides nonauthoritative guidance on auditor’s reports for the initial implementation year of the SAS No. 136, as amended. Because ERISA requires the presentation of certain comparative financial statements, this resource provides the auditor with illustrations and options for reporting during the implementation year of SAS No. 136, as amended.

**Upcoming accounting standards updates (ASUs) not-for-profits (NFPs) should be familiar with at the end of 2021**

The following is a summary of FASB ASUs with initial effective dates for most NFPs beginning in calendar-year 2021 and for 2020-2021 fiscal year-ends, or with effective dates that were deferred to 2021. Also, summarized are ASUs on the horizon with effective dates for most NFPs in 2022 and later. Additional information and guidance related to a number of these ASUs can be found in this AICPA [article](https://future.aicpa.org/resources/article/top-issues-for-not-for-profits-this-year).

**ASU No. 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting***

The new guidance on reference rate reform, also discussed in this related [*Journal of Accountancy* article](https://www.journalofaccountancy.com/news/2020/mar/fasb-accounting-relief-for-libor-transition-23162.html), provides optional expedients and exceptions for applying GAAP to contract modifications and hedging relationships, subject to meeting certain criteria, that reference the London Interbank Offered Rate (LIBOR) or another reference rate expected to be discontinued. ASU No. 2020-04 is intended to help stakeholders during the global market-wide reference rate transition period. Therefore, it will be in effect for a limited time from March 12, 2020, through December 31, 2022. See also ASU No. 2021-01, discussed below, which serves to clarify the scope of Topic 848.

**ASU No. 2021-01, *Reference Rate Reform (Topic 848): Scope***

This ASU was issued to improve clarity and operability with respect to the scope of Topic 848. The standard clarifies that contract modification relief may be applied to contracts that reference LIBOR or another reference rate expected to be discontinued as a result of reference rate reform and that are affected by the discounting transition. Additionally, it simplifies the hedge accounting relief by allowing the option to remove one or more derivative instruments that were added to a hedging instrument that is affected by the discontinuance of a reference rate without hedge de-designation. Consistent with ASU No. 2020-04 above, this standard is effective immediately for all entities, including NFPs, through December 31, 2022.

**ASU No. 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made***

This ASU was effective for nonpublic entities for transactions in which the entity was a resource recipient for annual periods beginning after December 15, 2018. However, it was effective for nonpublic entities for transactions in which the entity is the resource provider (i.e., the contributions made portion of the standard) for annual periods beginning after December 15, 2019. Therefore, NFPs may be adopting ASU No. 2018-08 for certain transactions during 2020-2021 fiscal year-ends. Implementation tools and guidance are available through the AICPA Not-for-Profit Resource Library:

* [Overview](https://future.aicpa.org/resources/article/fasb-standard-addresses-accounting-for-grants-and-contracts)
* [Implementation tool](https://future.aicpa.org/resources/download/grants-and-contracts-implementation-tool-for-not-for-profits)
* [Archived webcast](https://future.aicpa.org/resources/video/accounting-for-nonprofit-grants-and-contracts)
* [Quiz](https://media.aicpa.org/NFP/Grants_n_Contracts_Quiz/index.html)
* [Sample disclosures for resource providers](https://future.aicpa.org/resources/article/example-disclosures-for-resource-providers-and-contributions-made)

**ASU No. 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842): Effective Dates for Certain Entities***

This ASU was issued to delay the effective dates of two significant ASUs: revenue recognition (ASC 606) and leases (ASC 842). ASU No. 2020-05 permitted private companies and NFPs that had not yet applied the revenue recognition standard to do so for annual reporting periods beginning after December 15, 2019, and for interim reporting periods within annual reporting periods beginning after December 15, 2020. As a result, NFPs may be implementing ASC 606 during 2020-2021 fiscal year-ends.

ASU No. 2020-05 also permitted private companies, private NFPs, and public NFPs that had not yet issued (or made available) their financial statements reflecting the adoption of the leases standard to apply the new standard for fiscal years beginning after December 15, 2021, and for interim periods within fiscal years beginning after December 15, 2022. As such, this ASU is effective for 2022 calendar year-ends and 2022-2023 fiscal year-ends. While the leases standard does not have required implementation dates in 2021, early application is allowed.

**ASU No. 2018-15, *Customer’s Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract***

The amendments in ASU No. 2018-15 align the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software (and hosting arrangements that include an internal use software license). The ASU is effective for nonpublic entities for annual reporting periods beginning after December 15, 2020. Additional guidance on implementation of this ASU is available from the [Center for Plain English Accounting](https://www.aicpa.org/content/dam/aicpa/interestareas/centerforplainenglishaccounting/news/2018/asu-2018-15-final.pdf?contentType=secured).

**Standards with later effective dates to be thinking about**

The following ASUs are not effective for NFPs in 2021; however, entities should still be aware of them so they can evaluate and adequately plan for implementation when the time comes.

**ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets***

While ASU No. 2020-07 is not effective until 2022, NFPs may be considering early adoption. The ASU requires that an NFP (1) present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets and (2) disclose the following:

1. A disaggregation of the amount of contributed nonfinancial assets recognized within the statement of activities by category that depicts the type of contributed nonfinancial assets.
2. For each category of contributed nonfinancial assets recognized (as identified in (a)), qualitative information about wither nonfinancial assets were monetized or utilized; the NFP’s policy (if any) about monetizing rather than utilizing contributed nonfinancial assets; donor-imposed restrictions associated with contributed nonfinancial assets; and valuation techniques, inputs, and the principal market used for determining fair value.

Amendments in this standard are effective for annual periods beginning after June 15, 2021 (calendar year 2022; fiscal year 2021-22), and interim periods within annual periods beginning after June 15, 2022. Retrospective basis is used for implementation. Early adoption is permitted. Sample disclosures are available in the ASU and [this resource](https://future.aicpa.org/resources/article/example-gifts-in-kind-nfp-financial-statement-disclosures).

**ASU No. 2017-04, *Intangibles – Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment***

This ASU serves to simplify the test for goodwill impairment by eliminating step 2 of the test, focusing on the lower of fair value of the reporting unit compared to the carrying value, and removing the requirement to record negative goodwill. The standard is effective for nonpublic entities for annual reporting periods beginning after December 15, 2021. Early adopting is permitted.

**ASU No. 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments***

The amendments in ASU No. 2016-13 require more timely reporting and disclosure of credit loss allowances on receivables and other financial instruments not reported at fair value. Furthermore, expected losses must be based on historical experience, current conditions and reasonable (and supportable) forecasts. The ASU is effective for nonpublic entities for annual reporting periods beginning after December 15, 2022.

**Summary**

Preparing for implementation of new ASUs can be a daunting task; however, it does not have to be. By taking the time and effort to evaluate and plan for adoption of new standards, entities will be better prepared for implementation making the whole process less stressful. All NFPs are different, so these ASUs will have different effects and implications depending on the nature of the entity’s operations. Attending trainings, talking with colleagues and meeting with auditors are just some of the things NFPs can do to alleviate some of the stress and burden of adopting new ASUs.

**Additional Resources**

The following resource libraries and publications provide additional guidance and tools to assist entities with implementation of new accounting standards:

* [Not-for-Profit Financial Accounting and Reporting Resource Library](https://www.aicpa.org/interestareas/notforprofit/resources/financialaccounting.html)
* [Not-for-Profit Entities Industry Developments – Audit Risk Alert](https://www.aicpa.org/cpe-learning/publication/not-for-profit-entities-industry-developments-audit-risk-alert)
* [Not-for-Profit Entities – Audit and Accounting Guide](https://www.aicpa.org/cpe-learning/publication/not-for-profit-entities-audit-and-accounting-guide-OPL)
* [AICPA Financial Reporting Center](https://www.aicpa.org/interestareas/frc.html)
* [AICPA Revenue Recognition Resource Center](https://www.aicpa.org/interestareas/frc/accountingfinancialreporting/revenuerecognition.html)



**Resources from AICPA’s EAQ initiative**

Through the [Enhancing Audit Quality Initiative (EAQ)](https://www.aicpa.org/eaq), the AICPA shares resources and education to help you avoid the most common audit quality issues. Check out their latest resources:

**COVID-19 Audit Implications**

As auditors navigate the challenges presented by the COVID-19 pandemic, the AICPA is available to help. The A&A resource center at [aicpa.org/covidaudit](https://future.aicpa.org/topic/audit-assurance/covid-19-audit-assurance) is updated periodically to help you with your audit engagements that are impacted by the pandemic. Here are a few resources EAQ launched since the Spring:

* EBP [article](https://www.journalofaccountancy.com/news/2021/apr/employee-benefit-plan-audits-key-documents-and-steps.html) covering documentation challenges, best practices and pandemic considerations for EBP audits from the Journal of Accountancy.
* Single audit [blog](https://www.aicpa.org/news/article/tips-for-working-with-first-time-single-audit-clients) highlighting tips for working with first-time single audit clients.
* Fraud risk [webcast](https://future.aicpa.org/cpe-learning/webcast/understanding-fraud-risks-auditing-during-the-pandemic) covering the financial impact of COVID-19 pandemic on clients to help auditors understand their responsibilities and how to respond to these risks.
* Remote auditing [course](https://www.aicpa.org/cpe-learning/course/conducting-a-remote-audit-sso) addressing risks and best practices when conducting audit procedures virtually.

**Risk Assessment and Response**

AICPA developed a new [course](https://www.aicpa.org/cpe-learning/webcast/you-have-a-soc-1-report-now-what) to respond to peer review findings relative to SOC report reliance.

**Other EAQ Updates**

The 2022 EAQ Areas of Focus were selected by a group of technical committee chairs and internal subject matter experts. Those areas will be:

* Audit evidence (including auditing remotely)
* Single audit
* Risk assessment and response
* Auditing accounting estimates
* Environmental, Social and Governance (ESG) reporting

The EAQ team recorded a [podcast](https://ethicallyspeaking.libsyn.com/ep-15-eaq-whats-it-all-about) for Ethically Speaking addressing the objectives of the initiative and issued their annual [highlights report](https://us.aicpa.org/content/dam/aicpa/eaq/eaq-highlights-report-2020.pdf) detailing activities from the preceding year and pointing readers to available resources.

**Ethical Prompts**

**Don’t miss your chance to weigh in**

In response to changes in practice and the environment, the Professional Ethics Executive Committee has released three exposure drafts of new and revised ethics guidance on loans to and from attest clients, unpaid fees and helping clients implement accounting standards.

You can listen to Ethically Speaking episodes on each to find out how they’ll affect practice and why PEEC believes the changes are necessary. [Look for episodes 32–34](https://ethicallyspeaking.libsyn.com/) in our EDs on the go series. In the show notes of each episode, you’ll find a link to a handy online comment submission form as well as to the text of the exposure drafts.

If you’d rather read than listen, visit [PEEC’s project page](https://us.aicpa.org/content/aicpa/interestareas/professionalethics/community/peec-project-activity.html) for links to the exposure drafts.

**Keep an eye out for new member enrichment aids**

In the coming weeks, we’ll be publishing a practice aid on the “Information Systems Services” interpretation. Keep an eye on our Resources page.

We’ve recently published [new Q&As on loaned staff](https://us.aicpa.org/content/dam/aicpa/interestareas/professionalethics/resources/tools/downloadabledocuments/ethics-general-faqs.pdf#page=15) (i.e. staff augmentation) that you may find helpful.

**Ethically Speaking — Learn while you’re on the go**

[Our podcast](https://ethicallyspeaking.libsyn.com/) is designed to:

* bring you up-to-date information on ethics matters relevant to your practice,
* keep you aware of the activities of the AICPA Professional Ethics Division and
* offer ongoing ethics education.

In addition to conversations about exposure drafts, you’ll find episodes on enforcement, independence, questions we get on the hotline and many other timely topics.

You can find and subscribe to Ethically Speaking on [iTunes](https://podcasts.apple.com/us/podcast/ethically-speaking/id1465405517), [Google Podcasts](https://podcasts.google.com/feed/aHR0cHM6Ly9ldGhpY2FsbHlzcGVha2luZy5saWJzeW4uY29tL3Jzcw) or wherever you stream content. Just search for “Ethically Speaking” and look for the jolly citrus logo.



1. [1] Although similar tools may be marketed to organizations engaging a CPA to perform other attestation engagements, this document addresses only the potential impact of the use of such tools in SOC 2 examinations.  Nevertheless, some of the guidance may be helpful when considering the effect of similar tools in other attestation engagements.  [↑](#footnote-ref-1)