## Alerts and AICPA Guides

The following AICPA Guide is being re-released:

### Life and Health Insurance Entities (aag-lhi)

This guide is being re-released due to the revision of appendix A, “FASB ASU No. 2018-12, Financial Services — Insurance (Topic 944): Targeted Improvements to the Accounting for Long-Duration Contracts, Accounting Implementation Papers.” The following implementation issues have been added:

- Retrospective Adoption of Market Risk Benefits Guidance and the Effect on the Historical Amortization of Acquisition Costs
- Assumed Reinsurance — ASU No. 2018-12 Implementation Issues Applicable to Assumed Reinsurance of Traditional and Limited Payment Long-Duration Insurance Contracts, Specifically, the Level of Aggregation at Which Reserves Are Calculated Under FASB ASC 944-40-30-7

The following AICPA Guide contains minor editorial changes:

### Health Care Entities (aag-hco)

### Best Practices in Presentation and Disclosure

No updates for February 2022.

### Checklists and Illustrative Financial Statements

No updates for February 2022.

### Measurement Criteria

No updates for February 2022.

### PCAOB Standards and Related Rules

No updates for February 2022.

### Peer Review Program Manual

No updates for February 2022.
The following practice aid is being released:

**Accounting for and Auditing of Digital Assets (pra-dia)**

The objective of this practice aid is to develop nonauthoritative guidance on how to account for and audit digital assets under U.S. generally accepted accounting principles (GAAP) and generally accepted auditing standards (GAAS), respectively. This guidance is intended for financial statement preparers and auditors with a fundamental knowledge of blockchain technology.

This edition has been updated to include question and answers 24–28 to the accounting subgroup, in the following topic areas:

- Contracts involving derivatives and embedded derivatives
- Crypto asset lending
- Mining

**AICPA PROFESSIONAL STANDARDS**

**U.S. Auditing Standards — AICPA (Clarified) [AU-C]**

The Illustrative Representation Letter in paragraph .A35 of AU-C section 580, *Written Representations*, has been updated to revert back to previous language which better reflects matters to which certain representations are limited.

**Various Sections**

This update also contains minor editorial changes to various sections.

**TECHNICAL QUESTIONS AND ANSWERS**

**Financial Statement Presentation**

This update revises the following Technical Questions and Answers (Q&A) sections:

- 1100.15, “Liquidity Restrictions”
- 1400.31, “GAAP Departure for FASB ASC 810”
- 1500.04, “Terminology for Special Purpose Financial Statements”

**Specialized Industry Problems**

This update also adds the following Q&A sections:

- 6400.71, “Accounting by a Recipient Entity for Vaccines or Other Pharmaceuticals, Medical Supplies, or Equipment Received for Distribution to Specified Patients”

This update also revises the title of Q&A section 6934, *ERISA Section 103(a)(3)(C) — Employee Benefit Plans*, as well as the following Q&A sections:

- 6933.01, “Initial Audit of a Plan”
- 6933.02, “Investment Allocations Testing in an Electronic Environment”
- 6933.05, “Testing of Plan Qualification Tests Prepared by TPA”
- 6933.06, “Audit Procedures for Plan Mergers”
- 6933.08, “Audit Requirements for Frozen and Terminated Plans”
- 6933.10, “Is the Master Trust Required to Be Audited?”
• 6934.01, “Certifications by “Agent of””
• 6934.02, “ERISA Section 103(a)(3)(C) Audit When a Portion of the Plan’s Investments are Certified”
• 6934.03, “ERISA Section 103(a)(3)(C) Audit — Plan Certifications for Master Trusts”
• 6934.04, “In an ERISA Section 103(a)(3)(C) Audit Is it Necessary to Test the Allocation of Investment Earnings at the Participant Account Level?”
• 6936.01, “Auditor’s Responsibility for Testing a Plan’s Compliance With Qualification Issues”
• 6937.01, “General Conditions Requiring an Audit of Pension Plan Financial Statements”
• 6938.03, “HIPAA Restrictions”
• 6939.02, “Audit Opinion to Be Issued When Discrimination Testing Has Not Been Completed”
• 6950.22, “State Accounting Guide Differs From GAAP”

This update also deletes the following Q&A sections:
• 6932.06, “Do All Types of Reconciling Items Between the Financial Statements and the Form 5500 Require a Reconciling Footnote in the Financial Statements?”
• 6935.03, “Multiemployer Plan Payroll Compliance Services — Engagement Letter Background”
• 6935.04, “Multiemployer Plan Payroll Compliance Services — Representation Letters From Engaging Party”
• 6935.05, “Multiemployer Plan Payroll Compliance Services — Representations Not Obtained From Responsible Parties”
• 6935.06, “Multiemployer Plan Payroll Compliance Services — Use of AUP or Other Reports as Audit Evidence”
• 6936.02, “Merger Date for Defined Contribution Plans”

### Audit Field Work

This update also revises the following Q&A sections:
• 8200.16, “Examining Journal Entries”
• 8345.01, “Audit Considerations When Client Evidence and Corroborating Evidence in Support of the Financial Statements Have Been Destroyed by Fire, Flood, or Natural Disaster”

### Auditors’ Reports

This update also revises the title of Q&A section 9110, Special Considerations, as well as the following Q&A sections:
• 9030.10, “Change From Generally Accepted Accounting Principles (GAAP) to a Special Purpose Framework or From a Special Purpose Framework to GAAP”
• 9060.08, “Going Concern Problem — Financial Statements Prepared on the Income Tax Basis of Accounting”
• 9060.09, “Audit Report for Development Stage Enterprise”
• 9070.05, “Consideration of Impact of Losses From Natural Disasters Occurring After Completion of Audit Field Work and Signing of the Auditor’s Report But Before Issuance of the Auditor’s Report and Related Financial Statements”
• 9080.02, “Going Concern Assumption for Venture With Limited Life”
• 9080.04, “Opinion on Balance Sheet With Disclaimer on Income Statement”
• 9080.13, “Classification of Certain Callable Obligations”
• 9080.15, “Condensed Financial Statements of a Nonpublic Entity”
• 9100.02, “Reporting on Companies With Different Fiscal Years”
• 9100.05, “Signing of Independent Auditor’s Report”

• 9100.06, “The Effect of Obtaining the Management Representation Letter on Dating the Auditor’s Report”
• 9100.07, “Naming the City and State Where the Auditor’s Report is Issued”
• 9100.08, “Audit Firm With Multiple Offices on Their Company Letterhead and Effect on Report”
• 9110.07, “Statement of Cash Receipts and Disbursements”
• 9110.08, “Statutory Basis Financial Statements Differ From GAAP”
• 9110.13, “Restriction on Use of Report on Financial Statements Prepared on a Basis of Accounting Prescribed in an Agreement”
• 9110.14, “Liquidation Basis Financial Statements”
• 9110.15, “Reporting on Medicaid/Medicare Cost Reports”
• 9110.19, “Lender Comfort Letters”
• 9110.21, “Reporting on Current-Value Financial Statements That Supplement Historical-Cost Financial Statements in Presentations of Real Estate Entities”
• 9110.22, “Use of Restricted Alert Language When Financial Statements Are Audited in Accordance With GAAS and Government Auditing Standards”
• 9110.26, “Effect on Auditor Reporting Due to the OMB Compliance Supplement Change in Approach for Identifying the Requirements Subject to the Single Audit”
• 9130.07, “Inadequate Internal Control and Financial Records”
• 9130.10, “Effect of Generally Accepted Accounting Principles (GAAP) Departures on Limited Scope Engagements”
• 9150.08, “Supplementary Information”
• 9150.29, “Effects on Compilation and Review Engagements When Management Does Not Assess Whether the Reporting Entity Is the Primary Beneficiary of a Variable Interest Entity and Instructs the Accountant to Not Perform the Assessment”
• 9160.08, “Title of Auditors’ Report”
• 9160.28, “Combining Emphasis-of-Matter Paragraphs”
• 9160.30, “Modification to the Auditor’s Report When a Client Adopts a PCC Accounting Alternative That Results in a Change to a Previously Issued Report”
• 9160.35, “Reporting on Indian Tribe Financial Statements Prepared in Accordance With Accounting Standards as Promulgated by FASB”

This update also deletes the following Q&A sections:
• 9110.01, “Determination of Sales Price Based on Auditor’s Report”
• 9150.20, “Reissuance of a Review Report When the Accountant’s Independence Is Impaired After the Date of the Accountant’s Review Report”
Attestation Engagements

This update also revises the following Q&A sections:

- 9510.01, “Testing Prospective Financial Information as Part of Performing Auditing Procedures”
- 9540.02, “Applicability to an Attest Engagement”
- 9540.03, “Suitability of Criteria”
- 9540.04, “Nature of Examination or Review Procedures”
- 9540.05, “Form and Content of Report”

Various Sections

This update also contains minor editorial changes to various Q&A sections.

SUPPORTING DOCUMENT COLLECTION

This update includes the following documents:

- ASB Meeting Highlights (September 9, 2021)
- ASB Meeting Highlights (October 12–14, 2021)
- ASB Meeting Highlights (December 2, 2021)
- SEC Regulations Committee Meeting Highlights (June 23, 2021)