



November 2021 Update of the AICPA Professional Literature

ALERTS AND AICPA GUIDES

The 2021 editions of the following AICPA Guides are being released:

Health Care Entities (aag-hco)

Considered the industry's standard resource, this guide will help you to understand the complexities of the specialized accounting and regulatory requirements of the health care industry.

Updated for 2021, this edition has been prepared and reviewed by industry experts and provides hands-on, practical guidance for those who work in and with health care entities.

A critical resource for auditors, this edition includes new accounting standards and relevant GASB and FASB updates (including those related to private companies).

Life and Health Entities (aag-lhi)

Whether you're a CPA performing audit engagements or management at an insurance entity, it is critical for you to understand and be current on the specialized accounting and regulatory requirements you are subject to. This resource brings you the practical, how-to accounting and auditing guidance you need. The 2021 edition provides valuable background on the life and health insurance industry, products and regulatory issues, and the related transaction cycles that an insurance entity is involved with.

This guide was developed by the former Insurance Companies Committee and the Life Insurance Audit Guide Task Force. This edition of the guide has been modified by the AICPA staff to include certain changes necessary due to the issuance of authoritative guidance since the first edition and other revisions as deemed appropriate. Relevant guidance contained in standards issued through October 1, 2021, is included.

Key benefits and updates include the following:

- Helpful information for developing audit plans of life insurance entities (especially auditing investments, inforce files, reinsurance, insurance revenues, liabilities for future policy benefits, income taxes, and deferred acquisition costs).
- Appendixes that will help you understand industry-specific disclosures and credit losses.
- Implementation guidance for FASB Accounting Standards Update (ASU) No. 2018-12, *Financial Services – Insurance (Topic 944) Targeted Improvements to the Accounting for Long-Duration Contracts*.

As additional accounting implementation papers are finalized, the online version will be updated. Please see the Insurance Expert Panel webpage for the status of the accounting implementation papers currently in development (<https://www.aicpa.org/interestareas/frc/industryinsights/long-duration-insurance-accounting-issues.html>).

Updates in the 2021 edition:

- Auditing content and illustrative audit reports have been updated for Statement on Auditing Standards (SAS) No. 134, *Auditor Reporting and Amendments, Including Amendments Addressing Disclosures in the Audit of Financial Statements*, and related guidance.
- Statutory accounting content and illustrative reports have been updated due to revision of the National Association of Insurance Commissioners (NAIC) Model Audit Rule Implementation Guide, included in appendix G of the *Accounting Practices and Procedures Manual*, and other NAIC actions taken in 2020 and 2021.
- Generally accepted accounting principles content has been updated for FASB ASU No. 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, including new excerpts from Audit and Accounting Guide *Credit Losses*.

The following AICPA Guides contain minor editorial changes:

Credit Losses (aag-cecl)

Construction Contractors (aag-con)

Employment Benefit Plans (aag-ebp)

Property and Liability Insurance Entities (aag-pli)

BEST PRACTICES IN PRESENTATION AND DISCLOSURE

The 2021 edition of the following product contains minor editorial changes:

U.S. GAAP Financial Statements – Best Practices in Presentation and Disclosure (att-2021)

CHECKLISTS AND ILLUSTRATIVE FINANCIAL STATEMENTS

No updates for November 2021.

MEASUREMENT CRITERIA

No updates for November 2021.

PCAOB STANDARDS AND RELATED RULES

PCAOB Staff Guidance

This update also adds Other Staff Guidance, *Insights for Auditors: Evaluating Relevance and Reliability of Audit Evidence Obtained From External Sources* (PCAOB Staff Guidance, sec. 300.15).

PEER REVIEW PROGRAM MANUAL

This update contains minor editorial changes.

PRACTICE AIDS AND TOOLS

No updates for November 2021.

AICPA PROFESSIONAL STANDARDS

Statements of Position – Auditing and Attestation [AUD]

This update also removes Statement of Position (SOP) 00-1, *Auditing Health Care Third-Party Revenues and Related Receivables* (AUD sec. 20), due to the passage of time.

This update also removes the following sections due to the effective date of Statement on Standards for Attestation Engagements No. 19, *Agreed-Upon Procedures Engagements* (AT-C sec. 215):

- AUD section 15A, *Guidance to Practitioners in Conducting and Reporting on an Agreed-Upon Procedures Engagement*
- AUD section 25A, *Performing Agreed-Upon Procedures Engagements That Address Internal Control*

Over Derivative Transactions as Required by the New York State Insurance Law

- AUD section 30A, *Performing Agreed-Upon Procedures Engagements That Address Annual Claims Prompt Payment Reports as Required by the New Jersey Administrative Code*
- AUD section 40A, *Attestation Engagements That Address Specified Compliance Control Objectives and Related Controls*
- AUD section 55A, *Performing Agreed-Upon Procedures Engagements That Address the Completeness, Mapping, Consistency, or Structure of XBRL-Formatted Information*

Bylaws of the American Institute of Certified Public Accountants [BL]

This update also revises BL section 340R, *Implementing Resolution Under Section 3.4 Board of Directors*, to reflect recent amendments.

TECHNICAL QUESTIONS AND ANSWERS

No updates for November 2021.

SUPPORTING DOCUMENT COLLECTION

This update includes the following documents:

ARSC Meeting Highlights (May 24, 2021)