



December 2022 Update of the AICPA Professional Literature

ALERTS AND AICPA GUIDES

The following AICPA Guides contain minor editorial changes:

Employee Benefit Plans (aag-ebp)

Investment Companies (aag-inv)

BEST PRACTICES IN PRESENTATION AND DISCLOSURE

No updates for December 2022.

CHECKLISTS AND ILLUSTRATIVE FINANCIAL STATEMENTS

No updates for December 2022.

MEASUREMENT CRITERIA

No updates for December 2022.

PCAOB STANDARDS AND RELATED RULES

This update includes minor editorial changes.

PEER REVIEW PROGRAM MANUAL

This update includes minor editorial changes.

PRACTICE AIDS AND TOOLS

No updates for December 2022.

AICPA PROFESSIONAL STANDARDS

U.S. AUDITING STANDARDS – AICPA (CLARIFIED) [AU-C]

This update adds Interpretation No. 1, “Considerations Related to the Use of a SOC 2® Report in an Audit of a User Entity’s Financial Statements” (AU-C sec. 9402 par. .01–.05), of AU-C section 402, *Audit Considerations Relating to an Entity Using a Service Organization*.

This update also amends the following sections due to the effective dates of Statement on Auditing Standards (SAS) Nos. 142, *Audit Evidence* (AU-C sec. 500), and 148, *Amendment to AU-C Section 935*:

- AU-C section 200, *Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance With Generally Accepted Auditing Standards*
- AU-C section 230, *Audit Documentation*
- AU-C section 315A, *Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement*
- AU-C section 330, *Performing Audit Procedures in Response to Assessed Risks and Evaluating the Audit Evidence Obtained*
- AU-C section 501A, *Audit Evidence – Specific Considerations for Selected Items*
- AU-C section 530, *Audit Sampling*
- AU-C section 540A, *Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures*
- AU-C section 935, *Compliance Audits*

This update also adds AU-C section 935A to retain currently effective guidance until SAS No. 148 becomes fully effective.

PRE-SAS NO. 134 U.S. AUDITING STANDARDS – AICPA (CLARIFIED)

This update also removes the *Pre-SAS No. 134 U.S. Auditing Standards* section in its entirety due to the passage of time.

U.S. ATTESTATION STANDARDS – AICPA (CLARIFIED) [AT-C]

This update also adds exhibit A, “Illustrative Engagement Letters for an Agreed-Upon Procedures Engagement,” to AT-C section 215, *Agreed-Upon Procedures Engagements*.

This update also removes the following sections due to the passage of time:

- AT-C section 105A, *Concepts Common to All Attestation Engagements*
- AT-C section 9105A, *Concepts Common to All Attestation Engagements: Attestation Interpretations of Section 105*
- AT-C section 205A, *Examination Engagements*
- AT-C section 9205A, *Examination Engagements: Attestation Interpretations of Section 205A*
- AT-C section 210A, *Review Engagements*

ACCOUNTING AND REVIEW SERVICES – AICPA (CLARIFIED) [AR-C]

This update also removes the following sections due to the passage of time:

- AR-C section 60B, *General Principles for Engagements Performed in Accordance With Statements on Standards for Accounting and Review Services*
- AR-C section 70B, *Preparation of Financial Statements*
- AR-C section 80B, *Compilation Engagements*
- AR-C section 90B, *Review of Financial Statements*

CODE OF PROFESSIONAL CONDUCT [ET]

This update also adds the following definitions:

- “Compliance audit” (ET sec. 0.400.09)
- “Compliance audit client” (ET sec. 0.400.10)

This update also revises the following definition:

- “Financial statement attest client” (ET sec. 0.400.18)

This update also rescinds paragraph .02 of “Temporary Enforcement Policies,” (ET sec. 0.600.030).

VARIOUS SECTIONS

This update also contains minor editorial changes to various sections.

TECHNICAL QUESTIONS AND ANSWERS

ETHICS

This update adds Question and Answer (Q&A) section 10, *Definitions*, including the following:

- Q&A section 10.01, “Examples of a Compliance Audit”
- Q&A section 10.02, “Multiple Compliance Audit Clients”
- Q&A section 10.03, “Trivial and Clearly Inconsequential”
- Q&A section 10.04, “Changes in the Entities That Are the Compliance Audit Clients”
- Q&A section 10.05, “Using the Conceptual Framework in a Compliance Audit”
- Q&A section 10.06, “Evaluating Independence When Performing a Financial Statement Audit and a Compliance Audit for the Same Client”

This update also adds Q&A section 50, *Objectivity*, including the following:

- Q&A section 50.01, “Possible Factors to Consider When Evaluating the Objectivity of an Engagement Quality Reviewer (EQR)”
- Q&A section 50.02, “Potential Safeguards When a Significant Self-Review Threat to an Engagement Quality Reviewer’s (EQR) Objectivity Is Identified”

This update also adds the following to Q&A section 100, *Independence*:

- Q&A section 100.06, “An Engagement Quality Reviewer (EQR) is Considered a Member of the Engagement Team for Independence Purposes”

This update also adds the following to Q&A section 250, *Nonattest Services – Information Systems Services*:

- Q&A section 250.05, “Description of a Data-Gathering System”
- Q&A section 250.06, “Factors to Help Determine Whether Designing or Developing a Data-Gathering System Is Related to a Financial Information System”

- Q&A section 250.07, “Client Modifications to a Tool Designed or Developed by a Member”
- Q&A section 250.08, “Cybersecurity Services”
- Q&A section 250.09, “Period of Impairment for Prohibited Information System Services”

This update also revises the following in Q&A section 210, *Nonattest Services – General Requirements*:

- Q&A section 210.10, “Examples of Nonattest Services and Client Understanding”

ASSETS

This update revises the following Q&A sections to reflect conforming changes necessary due to the issuance of SAS No. 142:

- Q&A section 2140.02, “Obsolete Items in Inventory – I”
- Q&A section 2220.20, “Determining Whether NAV Is Calculated Consistent With FASB ASC 946, *Financial Services – Investment Companies*”

LIABILITIES AND DEFERRED CREDITS

This update revises the following Q&A section to reflect conforming changes necessary due to the issuance of SAS No. 142:

- Q&A section 3700.01, “Effect of New Mortality Tables on Nongovernmental Employee Benefit Plans (EBPs) and Nongovernmental Entities That Sponsor EBPs”

AUDIT FIELD WORK

This update revises the following Q&A sections to reflect conforming changes necessary due to the issuance of SAS No. 142:

- Q&A section 8310.02, “Confirmation of Securities Held in Street Name”
- Q&A section 8320.01, “Reliance on Observation of Inventories at an Interim Date”
- Q&A section 8320.05, “Dates of Observation of Inventories Which Are Kept on Perpetual Records”
- Q&A section 8320.06, “Observation of Consignment Inventories”
- Q&A section 8340.09, “Insurance Claims”
- Q&A section 8340.10, “Letter of Inquiry to Management’s External Legal Counsel”
- Q&A section 8800.38, “Using Net Asset Value to Calculate Fair Value”

AUDITORS' REPORTS

This update revises the following Q&A section to reflect conforming changes necessary due to the issuance of SAS No. 142:

- Q&A section 9120.04, “Reliance on State Grain Inspectors for Inventory Measurements”

VARIOUS SECTIONS

This update also contains minor editorial changes to various sections.

SUPPORTING DOCUMENT COLLECTION

No updates for December 2022.