



# At a glance

From the Audit & Attest Standards Team

## Revisions to Attestation Review Standard for Clarity on Procedures That May Be Performed, Report Transparency, and Consistency with Other Professional Standards

### What happened?

In December 2020, the AICPA Auditing Standards Board (ASB) issued Statement on Standards for Attestation Engagements (SSAE) No. 22, *Review Engagements*. SSAE No. 22 supersedes AT-C section 210, *Review Engagements*.

SSAE No. 22 revises AT-C section 210 for consistency with AT-C section 205, *Assertion-Based Examination Engagements* (pursuant to SSAE No. 21, *Direct Examination Engagements*); more clearly describes the types of procedures a practitioner may perform in a review engagement; revises the reporting requirements for an attestation review for additional transparency; and, consistent with Statement on Standards for Accounting and Review Services No. 25, *Materiality in a Review of Financial Statements and Adverse Conclusions*, permits the expression of an adverse conclusion.

### Description of the procedures a practitioner may perform in a review engagement

Based on the practitioner's understanding of the subject matter and other engagement circumstances, the practitioner is required to identify areas in which a material misstatement of the subject matter is likely to arise and design and perform procedures to address such areas to obtain limited assurance to support the conclusion in the practitioner's report. While review evidence obtained through the performance of inquiry and analytical procedures will ordinarily provide the practitioner with a reasonable basis for obtaining limited assurance, analytical procedures may not be possible when the subject matter is qualitative, rather than quantitative. Additionally, analytical procedures may not provide sufficient appropriate review evidence if an expectation cannot be developed. Therefore, the practitioner may determine that other procedures are more effective or efficient to obtain limited assurance. While inquiry procedures are required, in addition to inquiry, SSAE No. 22 provides the following examples of procedures to obtain review evidence:

- Analytical procedures
- Inspection
- Observation
- Confirmation
- Recalculation
- Reperformance

### Requirement that the practitioner's report include an informative summary of the work performed as a basis for the practitioner's conclusion

SSAE No. 22 includes a requirement that the practitioner's review report include a description of the work performed as a basis for the practitioner's conclusion. Such description helps the users of the practitioner's report understand the basis for the practitioner's conclusion. The description may be as brief as "the procedures we performed were based on or professional judgment and consisted primarily of analytical procedures and inquiries" or may be more detailed.

### Permission of the expression of an adverse review conclusion

SSAE No. 22 requires the practitioner to express an adverse conclusion when the practitioner, having obtained sufficient appropriate review evidence, concludes that misstatements, individually or in the aggregate, are both material and pervasive to the subject matter. An illustrative review report expressing an adverse conclusion is presented in the exhibit at the end of SSAE No. 22.

### Next steps?

SSAE No. 22 is effective for practitioners' review reports dated on or after June 15, 2022. Early implementation is permitted only if the practitioner also early implements the amendments to AT-C section 105, *Concepts Common to All Attestation Engagements* included in SSAE No. 21.

SSAE No. 22 is available for practitioners to read and consider in order to adequately prepare for implementation, and can be viewed on the AICPA's website under [recently issued standards](#).