



Agenda Item 1C

Summary of Comment Letters on Exposure Draft of the Proposed SSARs, *Compilation of Prospective Financial Information, Compilation of Pro Forma Financial Information, and Omnibus – 2016*

Comment Letter No.	Commenter
1	Sergio Felipe Mercado P.
2	Texas Society of CPAs – Professional Standards Committee
3	RSM US LLP
4	New Jersey Society of CPAs – Accounting and Auditing Standards Interest Group
5	Pennsylvania Institute of CPAs – Accounting and Auditing Procedures Committee
6	Grant Thornton LLP
7	CAMICO
8	AICPA Technical Issues Committee

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Supportive	Specific Response	Opposed	Specific Response
			<p>justify the two distinct compilation services receiving comparable treatment in this area. Accordingly, we do not support the Accounting and Review Services Committee (ARSC) proposal to not require accountants to obtain written representations from management when compiling prospective information.</p> <p>Among other requirements, Appendix B of the AICPA’s extant standard AT Section 301, <i>Financial Forecasts and Projections</i>, indicates practitioners compiling prospective financial statements should:</p> <ol style="list-style-type: none"> 1) Establish an understanding with the client regarding the services to be performed, 2) Inquire about the accounting principles used in the preparation for prospective financial statements, 3) Inquire how the responsible party identifies key factors, and develops assumptions, 4) Obtain or develop a list of the responsible party’s significant assumptions regarding the prospective financial statements, and consider whether there are any obvious omissions,

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			<p>5) Consider whether there are any obvious internal inconsistencies in the assumptions,</p> <p>6) Test the arithmetical accuracy of the computations,</p> <p>7) Read the prospective financial statements, including the summary of significant assumptions,</p> <p>8) Perform additional procedures if a significant part of the prospective period has expired,</p> <p>9) Confirm their understanding of the statements by obtaining written representations from the responsible party, and</p> <p>10) Consider, after applying the above procedures, whether he or she has received representations or other information that appears to be obviously inappropriate, incomplete, or otherwise misleading and, if so, attempt to obtain additional or revised information.</p> <p>The above includes additional steps when compared to compilations of historical statements. We believe these are warranted by the inherent differences in the nature of historical and prospective financial statements, and we support such</p>

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			<p>differences.</p> <p>We fully understand that neither the compilation of historical nor prospective financial statements provide assurance. However, we believe the inherent estimated nature of prospective financial statements, and the minimal support for significant assumptions without obtaining the client’s representations, justifies requiring that the responsible party’s written representations are obtained.</p> <p>Further, we recommend that the written representations should be obtained at the conclusion of the engagement. We noted that the proposal states that the engagement letter provides, in substance, the same acknowledgement (representations) as required by AT section 301. However we are concerned that any acknowledgements or representations embedded within the written understanding with the client (engagement letter) could later be found to be inconsistent with the final compilation, as assumptions often change over the course of an engagement.</p> <p>We recognize that the ARSC does not</p>

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			consider engagement risk when setting standards. It is our opinion, based upon our collective experience, that not requiring written representations in a compilation of prospective financial information would present considerably greater risk to a CPA. We understand that under this proposal, CPAs could elect to obtain written representations. However, we believe that as a practical matter many CPAs would likely choose not to do so. Prospective financial statements generally create additional exposure. Users of prospective financial statements may allege the CPA was negligent in assessing the reasonableness of the significant assumptions underlying the prospective financial statements. Accordingly, we believe that not obtaining written representations would be offered as evidence to support arguments that the CPA did not meet the standard of care.
3 – RSM US LLP	We agree with the conclusion reached by the Accounting and Review Services Committee (ARSC) that a requirement to obtain written representations is inconsistent with an engagement in which the accountant is not required to obtain any assurance.	7 - CAMICO	CAMICO does not agree with the ARSC conclusion that requiring accountants to obtain written representations is inconsistent with engagements in which the accountant is not required to obtain assurance. Unlike historic financial statement engagements, prospective financial statements require management

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			<p>to make significantly greater assumptions and take on more responsibilities. We agree that management’s acknowledgment of its responsibility for the significant assumptions is an important element of the written representations required by extant AT Section 301, <i>Financial Forecasts and Projections</i>. In our experience, assumptions could change dramatically over the course of the engagement. As such, the assumptions embedded within the engagement letter signed when engaged to compile the prospective information could differ significantly from those used at the conclusion of the engagement. We are fearful that eliminating the requirement to obtain updated assumptions and representations would unnecessarily increase accountants’ risk exposure with these engagements. Additionally, not requiring the updated assumptions and representations at the conclusion of the engagement could mislead responsible parties and other users of the compiled prospective information that the accountant has determined the client’s representations are accurate and reasonable.</p> <p>Given the inherent differences in the</p>

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			<p>nature of prospective financial statements as compared to historical financial statements, CAMICO supports the procedures as outlined in Appendix B of extant AT Section 301, which include significantly more steps than compilations of historical statements. In CAMICO’s opinion, however, the additional procedures increase the likelihood accountants will identify issues and discrepancies regarding the responsible party assumptions detailed in the engagement letter. As such, we strongly encourage the ARSC to require (or at least presumptively require) accountants compiling prospective financial information obtain updated written representations and detailed assumptions from responsible parties prior to concluding the engagement.</p> <p>Moreover, CAMICO considers obtaining written representations at the conclusion of engagements to be strong risk management. This step provides members with adequate protection against potential allegations that their work did not meet the standard of care by not obtaining appropriate documentary evidence regarding the responsible party’s</p>

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			representations and detailed assumptions at the conclusion of the engagement.
6 – Grant Thornton LLP	With regard to the Committee’s specific request for comment pertaining to the decision to not require written representations, we agree with Committee’s conclusion and basis therefor. Because of the nature of engagement, we believe obtaining written representations is unnecessary.		
8 – AICPA Technical Issues Committee	TIC agrees that obtaining a representation letter from the responsible party should not be a required procedure in a compilation of PFI engagements... When the accountant is not obtaining or providing assurance on the PFI, TIC believes the engagement letter, which management signs before the engagement begins, and the new assertion in the accountant’s report that is made at the end of the engagement represent sufficient documentation of management’s responsibilities.		

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Comments on Specific Paragraphs Within the Proposed SSARs

Proposed SSARS, *Compilation of Prospective Financial Information*

COMMENT NO.	Paragraph in the Exposure Draft or Topic	Commenter	Comments	Consideration of Comments	Change Made to Proposed SSARS?
1	General	7 - CAMICO	CAMICO supports moving the guidance for compiling prospective financial statements from the Statements on Standards for Attestation Standards to the SSARs.		NO
2	General	7 – CAMICO	CAMICO supports the position of the Auditing Standards Board and ARSC to prohibit the review of prospective financial statements.		NO
3	.1	7 – CAMICO	CAMICO supports the proposed SSARS <i>Compilation of Prospective Financial Information</i> being applicable to accountants engaged (e.g., hired) to compile prospective financial information.		NO
4	.10b and .10c	8 – TIC	<p>Paragraph 10b of the compilation of PFI proposal states that one of the preconditions for acceptance of a compilation engagement of PFI is that “a description of the limitations on the usefulness of the presentation” should be disclosed. TIC has two separate comments relating to this subparagraph.</p> <p>First, the language in paragraph 10b implies the description of the limitations on the usefulness of the presentation is applicable to both forecasts and projections. Based on the discussion in paragraphs 8.29P and 10.11P of the Guide and AT-C 305.11(b) and .29(c), TIC believes this is incorrect. These paragraphs are</p>		NO

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			<p>italicized in the Guide, meaning that the disclosure pertains only to projections. TIC recommends paragraph 10b be revised as follows:</p> <p style="padding-left: 40px;"><i>A description of the limitations on the usefulness of the presentation, if the prospective financial information is a projection. [Proposed new language is underlined.]</i></p> <p>Alternatively, paragraphs 10b and 10c could be combined under one sub-bullet, since both relate to projections only. TIC also believes that a similar requirement should be added for partial presentations. See paragraph 23.14 in the PFI Guide and AT-C 305.11(c) and .37.</p> <p>Second, “the description of the limitations on the usefulness of the presentation” is not a concept that is well understood. Many may believe that the usefulness of the presentation is limited because the projected results may not be achieved. However, TIC believes this is not what the Guide intended.</p> <p>After careful reading of the illustrative language in paragraph 8.29P and in the illustrative financial projection on page 90, TIC believes the description of the limitations on the usefulness of the presentation is a statement that follows the description of the special purpose of the projection and should say:</p>		

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			<p><i>Accordingly, this projection may not be useful for other purposes.</i></p> <p>Although TIC assumes this is the intended purpose for the requirement, this concept is less than obvious in the Guide. TIC therefore recommends that ARSC consider whether the above sentence is meant to satisfy the requirement for a description of the limitation on the usefulness of the projection and, if so, include the sentence as an example in the application material of the final SSARS.</p>		
5	Engagement letter (paragraph .13)	8 – TIC	<p>AT 301.69.5(i), Appendix B, which includes compilation procedures for PFI, currently requires the representation letter to include the responsible party’s written assertion, to the best of its knowledge and belief, that the forecast/projection presents the expected financial position, results of operations and cash flows for the period and that the forecast/projection reflects its judgment, based on present circumstances, of the expected conditions and its expected course of action. However, there is no current requirement in AT 301 to include a similar assertion in the compilation report. The proposed SSARS on the compilation of PFI would change the compilation report to include an assertion by management about the accuracy of the presentation.</p> <p>TIC agrees with the change, but believes it is significant enough to warrant further amendments to the engagement letter in the proposed compilation SSARS. In the proposed engagement letter</p>		NO

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			<p>requirements, management would have to agree that it is responsible for the preparation and fair presentation of the forecast or projection and would have to agree to disclose significant assumptions. However, the proposed engagement letter never tells management that its assertion (i.e., that the forecasted financial statements present, to the best of its knowledge and belief, the expected financial position, results of operations, and cash flows) will appear in the compilation report. At a minimum, the Our Report section of the engagement letter should mention that the above language will appear in the report. TIC believes such disclosure in the engagement letter would be consistent with AR-C 80.10(f), which requires the engagement letter on the compilation of historical financial statements to include the “expected form and content of the accountant’s compilation report...” Amendments to the Management Responsibilities section of the engagement letter may also be desirable.</p> <p>Also, the assertion in the ED is shorter than the assertion that was included in AT 301 and the Guide, which included an additional representation that the PFI reflects the responsible party’s judgment, based on present circumstances, of the expected conditions and its expected course of action. TIC recommends that ARSC conform the assertion that will appear in the compilation report to the text of the assertions in extant literature.</p>		
6	.13	8 – TIC	TIC noted an inconsistency between paragraphs 13(h)(i) and		NO

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			<p>13(i) in terms of the responsible party’s agreement to not distribute a projection v. partial presentation to parties that are not negotiating directly with the responsible party. Paragraph 13(i) includes the requirement that the responsible party should agree to not distribute a partial presentation to “those who will not be negotiating directly with the responsible party.” However, the requirement in paragraph 13(h)(i) relating to the distribution of a projection omits the above language even though the requirement is essentially the same. TIC believes this may be an unintended omission, since paragraph 13(h)(i) was probably intended to be consistent with the language in the sample engagement letter in Illustration 2—An Engagement Letter for a Compilation of a Financial Projection. Paragraph 13(h)(i) also should be consistent with the report language for the alert that is discussed in paragraph 21.</p> <p>Therefore, TIC recommends that paragraph 13(h)(i) be revised as follows:</p> <p><i>If the prospective financial information is a projection, the responsible party’s agreement that the financial projection</i></p> <p><i><u>i. is not appropriate for general use and is intended solely for the information and use of [specified parties] and is not intended to be and should not be used by anyone other than those specified parties. [Proposed new language is</u></i></p>		

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			<u>underlined</u>		
7	.17b and .17k	3 - RSM	The words “representations” and “represents” are used, which we believe normally are understood to mean written representations (as required in the extant standard). To provide clarification, we recommend updating the language in these paragraphs to reflect that verbal inquiries of such matters should be performed and documented.	Wording in the draft standard is appropriate.	NO
8	.17b	6 – GT	We believe the current construct of this proposed requirement is difficult to follow relative to the paragraph’s lead-in to the sub-bullets. We recommend reordering the wording as follows: <i>b. inquire as to how the responsible party determined that the appropriate accounting principles were used in the preparation of the prospective financial information in accordance with paragraphs 6.15-6.19 of the guide if the responsible party represents that either</i> <i>i. for existing entities...</i> <i>II. for entities to be formed...</i>	While the construct may be clearer, the reference to the guide for additional elements of the requirement makes the requirement itself less clear.	NO
9	.17c	3 – RSM	Paragraph .17c requires the accountant to “...consider whether the responsible party has a reasonably objective basis for presenting a forecast” including consideration of whether “sufficiently objective assumptions can be developed for each key factor.” While we note that paragraph .A21 references Chapter 7 of the guide as providing more guidance as to this concept, we believe this requirement would be better understood if the term “reasonably objective basis” was defined within the text itself, with context specific to projections and forecasts,	We believe that the paragraph of the proposed clarified attestation standard that the respondent refers to is paragraph .A15 of AT-C section 305. Paragraph .A21 of the draft standard has been revised to be consistent with paragraph .A15 of AT-C section 305 as follows: .A21 Chapter 7 of the guide indicates that a	YES

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			<p>similar to how it is proposed in Chapter 5, “Prospective Financial Information,” of the Clarified Attestation Standards (Clarified AT 301, <i>Financial Forecasts and Projections</i>). We believe the inclusion of an application paragraph similar to paragraph 5.A14 proposed in Chapter 5 would be useful for helping the user understand the context of what a reasonably objective basis may be specific to a compilation engagement of prospective information:</p> <p>Paragraph 7.01P of the guide indicates that a reasonably objective basis for a forecast cannot exist if the premise on which the assumptions are based is too subjective. A forecast has to be based on a realistic premise, which has to be supportable. In contrast, the basic premise for a projection does not have to be supportable, although the hypothetical assumptions should be consistent with the purpose of the presentation. Accordingly, in a projection, the responsible party need not have a reasonably objective basis for the hypothetical assumptions.</p> <p>Also, we are concerned that when trying to comply with the requirement of paragraph .17c, accountants may perform procedures that are beyond those necessary for an engagement where no assurance is provided. Although application paragraph .A20 states that the consideration of whether the responsible party has a reasonably objective basis for presenting a forecast is</p>	<p>reasonably objective basis for a forecast cannot exist if the premise on which the assumptions are based is too subjective. A forecast has to be based on a realistic premise, which has to be supportable. In contrast, the basic premise for a projection does not have to be supportable, although the hypothetical assumptions should be consistent with the purpose of the presentation. Accordingly, in a projection, the responsible party need not have a reasonably objective basis for the hypothetical assumptions.</p>	

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			a factor in supporting whether the presentation would be misleading, which is an appropriate consideration for a compilation engagement, we believe additional guidance as to the extent of any considerations or procedures to be performed would help provide clarity for users. The extant requirement in AT 301 was limited to inquiries with management regarding how assumptions were developed and consideration of whether there were any obvious internal inconsistencies or omissions in those assumptions. Therefore, guidance as to how this requirement has changed in scope, if at all, may be beneficial within an application paragraph or an authoritative guide.		
10	.17f	6 - GT	We note that paragraph 5d of Appendix B of AT Section 301 refers to “obvious omissions” while the proposed paragraph 17f only refers to “omissions.” We are concerned with how broadly this proposed language could be interpreted in practice and recommend utilizing the extant language.	The ARSC intentionally omitted the term “obvious” as it felt that it was too subjective.	NO
11	.A24	8 – TIC	Paragraph .A24 seems to be requirement for the reporting elements of paragraph 20 to apply to partial presentations. TIC recommends moving paragraph .A24 to the requirements section.		NO
12	.22	3 - RSM	Paragraph 22 states that when the prospective financial statements contain a range, the accountant’s compilation report should include a separate paragraph that states that the responsible party has elected to portray the expected results of one or more assumptions as a range. We suggest the standard include an illustrative report or illustrative report wording within the body for such situations. This would avoid inconsistency in	Agreed and additional illustration added as illustration 3 to paragraph .A37.	YES

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			the wording or location of such a paragraph among different practitioners.		
13	Title Above .25	8 – TIC	This heading is used a title above paragraphs 25 and .A31 in the Compilation of PFI ED. TIC believes use of the word “modifications” should be avoided in any SSARS or proposed SSARS that relates to compilation engagements, since its use could be associated with an adverse or qualified opinion. TIC suggests the heading be replaced with two separate headings for “Reporting on Presentation Deficiencies or Omitted Disclosures” and “Reporting on Partial Presentations.”		NO
14	.25	7 - CAMICO	Paragraph 25 of the proposed standard <i>Compilation of Prospective Financial Information</i> precludes accountants from compiling prospective financial information that contains presentation deficiencies or omits disclosures if such deficiencies or omissions are undertaken with the intent to mislead expected users. As proposed, this prohibition would only impact those deficiencies known to be intentional. Instead, we recommend the proposed standard include language comparable to AR-C section 80, paragraph .15c, which presumptively requires accountants to propose appropriate revisions when they become aware during the engagement that the financial statements are otherwise misleading. Likewise, as with AR-C section 80, paragraph .16b, we recommend the proposed standard presumptively require accountants to withdraw and inform management of their reasons for withdrawing if management does not make the proposed revisions or disclosures, and the accountants determine disclosing	While the proposed revision has merit, it would not be to the proposed paragraph as that paragraph resides in a section of the proposed standard dealing with modifications to the accountant’s report.	NO

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			the departures in their compilation reports is insufficient.		
15	Report Illustration #2	8 – TIC	<p>Illustration 2—An Accountant’s Compilation Report on a Projection That Does Not Contain a Range—Page 38 of 76:</p> <ul style="list-style-type: none"> • 4th line – “accompany” should be “accompanying” • 7th line – Insert new paragraph with sentence beginning: I (We) have performed a compilation engagement.... 	Agree with respect to 4 th line. Do not agree with respect to 7 th line.	YES
16	Reporting Illustration	3 - RSM	We suggest the development of an additional report example for the compilation of historic data presented with prospective financial information as we expect this situation to be common for users. We are concerned that accountants compiling prospective financial statements may be unsure as to whether the inclusion of both historical and prospective data is permitted within one report, and if so, how it should be reported on. We recommend this report example be added to the standard or within the authoritative guide.	Added an illustration as to how an accountant may reference the compilation of historical financial statements as paragraph .A26 of the draft standard. Have not developed an illustrative report showing both the compilation of historical financial statements and prospective financial information.	NO
17	Reporting Illustration using “other suitable criteria”	8 – TIC	<p>Paragraph .A1 of the proposed SSARS on the compilation of PFI permits the use of “other suitable criteria” in lieu of the preparation and presentation guidelines in the AICPA Guide. TIC believes practitioners will need more specific guidance beyond “this section should be adapted as necessary in the circumstances.” TIC suggests that, if retained, ARSC describe or provide examples of suitable criteria.</p> <p>When other suitable criteria are used to prepare a forecast or projection, modifications should be made to the illustrative reports in the Exhibits. Practitioners are very likely to use the</p>		NO

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			<p>illustrative reports in the Exhibit verbatim and may not realize that the reports assume that the PFI was prepared using the preparation and presentation guidelines in the Guide. At a minimum, practitioners should be advised that the following sentence from the illustrative compilation report should be modified to specify the preparation and presentation criteria that were used:</p> <p style="text-align: center;"><i>Management is responsible for preparing and presenting the forecast in accordance with [describe the other suitable criteria] the guidelines for presentation of a financial forecast established by the American Institute of Certified Public Accountants (AICPA).</i></p>		

Proposed SSARS, Compilation of Pro Forma Financial Information

COMMENT NO.	Paragraph in the Exposure Draft or Topic	Commenter	Comments	Consideration of Comments	Change Made to Proposed SSARS?
1	General	3 - RSM	We support the content of the proposed standard and have no specific comments.		NO
2	General	7 – CAMICO	We support this proposed standard and have no specific comments.		NO

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3	General	8 - TIC	TIC had no comments on the proposal on <i>Compilation of Pro Forma Financial Information</i> .		NO
4	Independence Reporting Requirements	6 – GT	We note that the guidance related to reporting when the accountant is not independent is not included in the proposed SSARS. We recommend either including it in full as is done in paragraphs 23-24 of the proposed <i>Compilation of Prospective Financial Information</i> or refer the accountant to the applicable paragraphs of AR-C Section 80, <i>Compilation Engagements</i> .	Paragraph 13 of the draft standard refers the accountant to the compilation reporting requirements in AR-C section 80.	NO

Proposed SSARS, Omnibus Statement on Standards for Accounting and Review Services – 2016

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1	General	3 – RSM	We support the proposed changes to AR-C sections 60 through 90.		NO
2	Illustrative engagement letters	5 – Pennsylvania	...the committee noted that there is wide spread confusion regarding the engagement letter examples included in the extant standard, which use the defined term “preparation” to describe non-attest services that were not performed in accordance with the AR-C Section 70, <i>Preparation of Financial Statements</i> . The defined term “preparation service” under the preparation standard should not be used to describe a similar task under the nonattest guidance.	While the ARSC did draft the illustrative engagement letters in SSARS 21 assuming that the accountant will prepare the financial statements to be subjected to the compilation or review service (as it is the ARSC’s belief that such an engagement is the most common), it is clear in AR-C section 70 that the “preparation service” does not apply when	NO

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				the accountant is engaged to also perform a reporting (compilation, review, or audit).	
3	AR-C section 60, proposed paragraph .07	1 – Sergio	Do not include engagement partner forming part of the engagement team (in the definition of <i>engagement team</i>).	<p><i>Engagement team</i> is defined in paragraph .06 of AR-C section 60 as:</p> <p style="padding-left: 40px;">All accountants and staff performing the engagement and any individuals engaged by the firm who perform procedures on the engagement.</p> <p>By contrast, <i>engagement team</i> is defined in the glossary to the clarified auditing standards as:</p> <p style="padding-left: 40px;">All partners and staff performing the engagement and any individuals engaged by the firm or a network firm who performs audit procedures on the engagement. This excludes an auditor’s external specialist engaged by the firm or a network firm.</p> <p>While not excluding engagement partner as the respondent suggested, the definition should more closely align with the definition in the auditing standards and therefore, it is</p>	YES

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				<p>recommended that the definition be revised as follows:</p> <p style="padding-left: 40px;">All accountants <i>partners</i> and staff performing the engagement and any individuals engaged by the firm <i>or a network firm</i> who perform procedures on the engagement.</p> <p>The final sentence from the definition from the auditing standards glossary is not included as the SSARSs do not include any requirements or guidance with respect to specialists.</p>	
4	AR-C section 60, paragraph .25	1 – Sergio	<p>Revise as follows:</p> <p>As a <i>precondition</i> for accepting an engagement to be performed in accordance with SSARSs, the accountant should...</p>	The proposed revision is appropriate.	YES
5	AR-C section 60, paragraph .A32	1 – Sergio	<p>Revise as follows:</p> <p>If an AR-C section provides that a procedure or action is one that the accountant “should consider,” consideration of the procedure or action is <i>presumptively mandatory</i> required...</p>	The wording in paragraph .A32 of AR-C section 60 is consistent with the wording in paragraph .11 of AR section 60 (pre-clarity standards) and paragraph .A79 of AU-C section 200.	NO
6	General to AR-C section 70 – concept	8 - TIC	In principle, TIC supports expanding the applicability of AR-C 70 to apply to the performance of a preparation engagement on PFI. However, TIC believes the proposed amendments to AR-C		NO

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	of including preparation of PFI		<p>70 are not sufficiently robust to ensure that preparation engagements involving PFI will be performed in accordance with professional standards...</p> <p>TIC deliberated possible alternative presentation formats and structures for addressing the requirements related to the preparation of PFI. TIC admits that it is difficult to reach a conclusion on the best course of action to increase the extent of the guidance and improve the usefulness of the standard while avoiding excessive duplication. However, the majority of TIC members favored one of the following approaches:</p> <ul style="list-style-type: none"> • Combining the requirements and guidance for preparation of PFI with compilation of PFI and renaming that proposed SSARS, <i>Prospective Financial Information</i>. Some members believed merging compilation and preparation of PFI into one standard might result in the least amount of duplication. An appendix could be added to the merged standard to illustrate the differences between a preparation and compilation engagement. • Developing a separate SSARS for preparation of PFI and removing all PFI-related amendments from AR-C 70. Some of the members who favored this approach indicated that having preparation guidance for PFI and historical financial statements in one standard would be 		

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			cumbersome. A few TIC members continued to believe that adding further amendments to AR-C 70 would be the best course of action. They believed that amending AR-C 70 would result in the least duplication.		
7	General to AR-C section 70	5 – Pennsylvania	The committee separately notes a conceptual problem with including the results of a preparation service in an SEC filing, as the no-assurance footer would not be able to be included in the filing. The committee requests that a technical practice aid be issued to address this problem.	Staff requested clarification of the comment from the respondent and was advised that the respondent is concerned that SSARSs is applicable to a broker dealer - which file with the SEC. So, if the SSARS does not apply to a broker dealer, the respondent feels that this should be clarified. SSARSs do not apply to preparation/compilation/review of the financial statements of broker dealers who are required to file with the SEC – just like the SASs are not applicable to the audits of such financial statements.	NO
8	General to AR-C section 70	8 – TIC	A standalone budget for a future year would qualify as a forecast under the PFI Guide. However, Chapter 22 of the PFI Guide included special guidance when the accountant performed “other services” (such as assembly) on the forecast. The accountant does not have to report on the presentation, and the responsible party must agree that it is for internal use only. The PFI Guide also		NO

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			permits the accountant to report on this presentation, but if the accountant does so, the report has to be restricted as to use. TIC believes the new SSARSs will result in a change in practice for those accountants that have performed assembly services. At a minimum, a legend would be required for all preparation (assembly) services, but the presentation would not be limited as to use. TIC requests that ARSC publicize this change and address this issue in the PFI Guide to ensure that practitioners understand how the new guidance would apply to these presentations.		
9	Reference to PFI Guide	8 – TIC	<p>TIC appreciates the Committee’s desire to create a concise, uncluttered standard for the preparation of PFI, especially since the AICPA Guide, <i>Prospective Financial Information</i> (the PFI Guide), for all practical purposes, has been the only resource that practitioners have needed to perform these engagements. TIC also believes that the PFI Guide should continue to be the source of comprehensive guidance on PFI engagements. However, standard-setting conventions dictate that a SSARS should be the foundation or “hook” for all of the requirements that practitioners need to follow in a standard. An AICPA guide can interpret or explain those standards but cannot set new requirements...</p> <p>As written, the ED is silent as to the existence of the PFI Guide. TIC believes it would be a mistake for ARSC to assume that most practitioners are aware of the existence of the Guide (especially those who are performing a PFI engagement for the first time). Although AR-C 60, <i>General Principles for Engagements</i></p>	Added an application paragraph to refer to the Guide.	YES

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			<p><i>Performed in Accordance With Statements on Standards for Accounting and Review Services</i>, already states that AICPA guides containing preparation, compilation or review guidance represent interpretive publications that should be considered in performing any PFI engagement, TIC believes this guidance is not enough. When a specific subject guide exists (such as the PFI Guide), it should be cited in the standard and practitioners should be reminded that it is a necessary and authoritative resource when preparing PFI. Otherwise, practitioners may not find the Guide on their own, even if they make an effort to search for an interpretive publication. Omitting the reference to the PFI Guide is also inconsistent with Statement on Standards for Attestation Engagements No. 18, <i>Attestation Standards: Clarification and Recodification</i>, AT-C 305, <i>Prospective Financial Information</i>, and the proposal on the compilation of PFI, both of which cite the PFI Guide specifically...</p> <p>AR-C 70 should include requirement and application paragraphs to reference the PFI Guide, which provides comprehensive preparation guidance and illustrative financial statements and effectively serves as the applicable financial reporting framework for PFI. TIC suggests that paragraphs 3, .16, .A1 and .A8 from the Compilation of PFI proposal, adapted as necessary, would be sufficient. As mentioned above, if these paragraphs are not added to the preparation standard, practitioners may not realize that presentation and preparation guidelines exist for forecasts and</p>		

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10	AR-C section 70, Scope (paragraph .01)	8 - TIC	<p>projections.</p> <p>Without additional guidance on scope considerations for PFI engagements, practitioners may not understand when the SSARS applies. For example, preparation of budgets is not mentioned as part of the scope of the proposal. As a result, practitioners might not realize that a budget can be a forecast. If practitioners are not provided essential information as to scope, it is not practical to assume that they will find it on their own.</p> <p>TIC also believes that practitioners need enough information in the standard to make a decision about whether they wish to accept or continue an engagement. Practitioners should not have to purchase an AICPA guide to find out whether the services they've been asked to perform meet the preconditions of the service.</p> <p>For all of the above reasons, TIC believes practitioners would be unable to implement the requirements for the preparation of PFI efficiently and effectively without additional information in the standard. The minimalist approach used in the PFI amendments in AR-C 70 is not user-friendly and could result in practitioners misunderstanding or overlooking the purpose and applicability of the SSARS.</p>	<i>Prospective financial information</i> is defined in the proposed revision to paragraph .06 (proposed to change to .07) of AR-C section 60. Proposed revised paragraph .01 of AR-C section 70 then states that the section applies to engagements to prepare prospective financial information.	NO
11	AR-C section 70 – Scope (paragraph	8 – TIC	The existing Appendix to AR-C 70 (paragraph .A19 - Preparation of Financial Statements Versus Assistance in Preparing Financial Statements) should be expanded to provide examples of the		NO

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	.19 to extant standard)		<p>preparation of a financial forecast or projection versus assistance in preparing a financial forecast or projection. For example, if the responsible party engages the practitioner to develop assumptions only without preparing the PFI or to read the PFI and propose adjustments, as needed, these would be examples of engagements that would not fall under the Preparation SSARS for PFI. The above example is somewhat similar to this example in paragraph 10.13 of the PFI Guide:</p> <p style="padding-left: 40px;"><i>...A practitioner may be engaged to prepare a financial analysis of a potential project in which the engagement includes obtaining information, making appropriate assumptions, and assembling the presentation. Such an analysis is not, and should not be characterized as, a forecast (or projection) and would not be appropriate for general use. However, if the responsible party reviewed and adopted the assumptions and presentation, or based its assumptions and presentation on the analysis, the practitioner could compile or examine a forecast and issue a report appropriate for general use. (Source: AT 301.06)</i></p> <p>TIC believes examples would help the accountant determine whether the engagement is within the scope of the preparation SSARS. TIC was also uncertain whether the above example from paragraph 10.13 of the PFI Guide will be carried forward (in a modified form) to the revised PFI Guide. It implies that the line</p>		

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			between preparation and assistance in preparation may, in part, depend on the responsible party's actions with respect to the work performed. TIC believes this is an important distinction, since identifying the service(s) that the accountant has been engaged to perform will affect to what extent the proposed amendments will change practice.		
12	AR-C section 70 – Scope	8 – TIC	Budgets: Extant AT 301.59 and paragraph 10.20 of the PFI Guide allow an accountant to present an unexpired budget for the current year alongside interim historical financial statements for the same year without requiring disclosure of the summary of significant assumptions for the budget, as long as the presentation does not involve any intention to mislead users and the omission of the summary was disclosed. TIC believes this exception should be retained in the SSARS and recommends that it be added as a permitted exception to the preconditions of a preparation of PFI engagement.		NO
13	AR-C section 70 – Preconditions (paragraph .09 of extant AR-C section 70)	8 – TIC	AR-C 70 should be amended to include certain preconditions for the acceptance and continuance of a preparation of PFI engagement, including: <ul style="list-style-type: none"> ○ prohibiting the accountant from accepting an engagement to prepare a projection if the accountant has reason to believe that the projection will be distributed to those who will not be negotiating directly with the responsible party. This requirement would be similar to the precondition discussed in paragraphs 9 and .A12 from the Compilation 		NO

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			<p>of PFI proposal.</p> <ul style="list-style-type: none"> ○ prohibiting the accountant’s involvement with a partial presentation if the accountant has reason to believe that the partial presentation will be distributed to those who will not be negotiating directly with the responsible party. <p>This suggestion corresponds to paragraphs 8.07, 23.03 and 23.18 in the PFI Guide. This precondition has not been included as a precondition for compilation of PFI, but TIC believes it should be added to that SSARS as well, unless ARSC believes that all partial presentations should be available for general use.</p> <ul style="list-style-type: none"> ○ prohibiting the accountant’s involvement with PFI that does not include disclosure of the summary of significant assumptions and certain other disclosures relating to a projection (as discussed in paragraph 10 of the Compilation of PFI proposal). As noted on the next page, this requirement is already included as a proposed amendment within the “Financial Statements That Omit Substantially All the Disclosures...” section of AR-C 70. However, TIC believes the paragraph is in the wrong place within the proposal and recommends that it be moved to a section entitled Acceptance and Continuance of Client Relationships. 		

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			<ul style="list-style-type: none"> ○ requiring that the responsible party review and adopt the assumptions or analysis that the accountant has prepared in order for the PFI to be suitable for general use. This is based on guidance in the PFI Guide, paragraph 10.13. <p>TIC believes matters that could affect acceptance or continuance of a preparation service involving PFI are important considerations to discuss with the responsible party before an engagement letter is drafted. If the preconditions are specified up front, practitioners may not be made aware of this prohibition until after the engagement has already been accepted. In addition, adding these requirements to the preparation engagement would improve the consistency between the two engagements.</p> <p>If ARSC decides to add the above preconditions for engagement acceptance and continuance to AR-C 70, a corresponding change will be needed to extant paragraph .09 in AR-C 70 to refer to the extra preconditions.</p>		
14	AR-C section 70 – General and specific to engagement letters	8 - TIC	The proposed amendments to AR-C 70 include very few of the special requirements from the compilation of PFI proposal, thus giving practitioners the impression that none of the omitted requirements would apply to a preparation engagement. For example, below are a few of the paragraphs from the engagement letter section of the compilation of PFI proposal that have been omitted from the engagement letter section of the amended AR-C	If a requirement is not explicitly in AR-C section 70 then it does not apply to a preparation service.	NO

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			<p>70:</p> <ul style="list-style-type: none"> • 13g: The responsible party’s agreement that the prospective financial information will include disclosure of the significant assumptions. • 13i: If the prospective financial information is a partial presentation, the responsible party’s agreement that the partial presentation will not be distributed to those who will not be negotiating directly with the responsible party. <p>TIC believes the above elements from the compilation of PFI engagement letter would apply equally to a preparation engagement. If ARSC agrees, TIC encourages the Committee to repeat key requirements in both standards. TIC believes such repetition, where appropriate, would be consistent with the approach taken in the development of AR-C 70 and AR-C 80. In the compilation v. preparation of historical financial statements, ARSC added requirements to AR-C 70 to ensure that practitioners understood which requirements from the compilation SSARS also applied to the Preparation SSARS. Although a fair amount of guidance was moved from the SSARS to the Preparation, Compilation and Review Guide, core requirements were retained in the SSARS.</p> <p>Since compilation and preparation of PFI are similar services, TIC believes most of the requirements should also be similar.</p>		

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			<p>When similar standards are structured differently, practitioners will assume that omitted guidance from one of the standards is not required. TIC therefore believes that ARSC should reconsider the structure and content of this proposal...</p> <p>The elements of the engagement letter in the compilation of PFI proposal (paragraphs 13-14) differ in a number of respects from the engagement letter elements in a preparation of historical financial statements. However, section 70 of the Omnibus proposal has not been modified to include those unique elements. If AR-C 70 is not amended to refer to the special elements needed for an engagement letter for preparation of PFI, practitioners are very likely to overlook these provisions and to prepare incorrect engagement letters.</p>		
15	AR-C section 70, paragraphs .10 and .A7	7 – CAMICO	CAMICO supports the ARSC revisions of AR-C section 70, paragraphs .10 and .A7, to clarify that an oral understanding of engagement terms is insufficient.		NO
16	AR-C section 70, preparing PFI	8 – TIC	TIC recommends that ARSC review the procedures in the compilation of PFI proposal relating to development of the assumptions and determine whether they would apply in a preparation engagement. TIC is concerned that there may be inconsistencies between the requirements in paragraph 17 of the compilation of PFI ED and AR-C 70. One of those was the “reasonably objective basis” consideration in paragraph 17(c) and .A20 and A.21. The language in these paragraphs is consistent		NO

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			<p>with paragraph 10.14 of the current PFI Guide. The consideration of whether the responsible party has a reasonably objective basis for a forecast is a factor in determining whether the forecast is misleading. Although the accountant is preparing the forecast and assisting with the development of the assumptions, the accountant cannot develop the assumptions without assistance from the responsible party. TIC requests clarification as to whether the accountant would be bound by all of the compilation procedures in a preparation engagement, especially the need to determine whether a reasonably objective basis for the forecast exists.</p> <p>If omission of these procedures from AR-C 70 was deliberate, TIC suggests that the revised PFI Guide explain why they are required in a compilation, but not in a preparation engagement.</p>		
17	AR-C section 70, paragraph .14	7 – CAMICO	CAMICO recommends the SSARS and the Guide emphasize that the intent of the statement (aka “legend”) on each page of AR-C section 70 prepared financial statements is to indicate that the <i>accountant</i> is providing no assurance. Many recipients of prepared financial statements are aware of the accountant’s involvement in the preparation of the financial statements, and may mistakenly believe the legend indicates that the <i>client</i> is offering no assurance, but believe that the accountant <i>is</i> providing assurance.		NO
18	AR-C section 70, presentation	8 – TIC	If the accountant has been engaged to prepare PFI and the responsible party instructs the accountant to prepare the forecast or projection with certain presentation deficiencies or to omit		NO

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	deficiencies/omitted disclosures		disclosures other than those relating to significant assumptions, AR-C 70 should include a requirement to disclose such omissions in the forecast or projection. Effectively, such guidance would illustrate how paragraphs .19 and .20 of AR-C 70 would apply to a PFI engagement. TIC believes this guidance belongs in what is now paragraph 21 of the preparation of PFI proposal under the heading “Financial Statements That Omit Substantially All The Disclosures Required by the Applicable Financial Reporting Framework.”		
19	AR-C section 80, paragraph .05	1 – Sergio	<p>Revise the definition of <i>misstatement</i> as follows so as to be consistent with the definition in paragraph .05 of AR-C section 90:</p> <p>Misstatement. A difference between the amount, classification, presentation, or disclosure of a reported financial <i>statement</i> item and the amount, classification, presentation, or disclosure that is required for the item to be presented fairly in accordance with the applicable financial reporting framework. Misstatements can arise from fraud or error.</p>	Agreed.	YES
20	AR-C section 80, paragraph .A12	1 – Sergio	<p>Revise as follows:</p> <p>The requirement that the accountant obtain an understanding of the applicable financial reporting framework intended to be used in the preparation of the financial statements <i>compilation engagement</i>, and the significant accounting policies adopted by management, does not prevent the accountant from accepting a</p>	The requirement in paragraph .12 runs to the financial reporting framework to be used in the preparation of the financial statements – which is appropriate since the accountant performing the compilation performs the engagement in accordance with SSARSs while the financial statements are prepared in	NO

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			compilation engagement for an entity in an industry in which the accountant has no previous experience. The accountant may obtain such understanding, for example, by consulting AICPA guides, industry publications, financial statements of other entities in the industry, textbooks and periodicals, appropriate continuing professional education, or individuals who are knowledgeable about the framework or the industry.	accordance with the applicable financial reporting framework.	
21	AR-C section 80, paragraph .A17	1 – Sergio	Revise as follows: In circumstances addressed by the requirements of this section in which withdrawal from the engagement is necessary, the responsibility to inform management <i>or those charged with governance</i> of the reasons for withdrawing provides an opportunity to explain the accountant’s ethical obligations.	The requirement in paragraph .16 runs to informing management of the reasons for withdrawing and does not require informing those charged with governance.	NO
22	AR-C section 80, paragraph .27	3 – RSM	...we support the revision to paragraph .27 of AR-C section 80 by which the accountant is required to disclose known departures from the applicable financial reporting framework in the accountant’s compilation report, even if the departure is disclosed in the notes to the financial statements. We believe it is important that the compilation report inform the users of the financial statements of known departures from the applicable financial reporting framework in the compilation report, rather than the departures only being disclosed in the notes to the financial statements.		NO
23	AR-C section 80, paragraph	8 – TIC	Paragraph 27 of AR-C 80 indicates that when reporting on departures from the applicable financial reporting framework,		NO

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	.27		<p>“the accountant should modify the compilation report to disclose the departure.” [Emphasis added] TIC believes that the phrase “modify the compilation report” should not be used in the SSARS for Compilation Engagements, since it implies an adverse or qualified opinion.</p> <p>TIC recommends alternative language, such as the following:</p> <p style="padding-left: 40px;"><i>...the accountant should disclose the departure in the compilation report.</i></p> <p>If the ARSC decides to make this change, the following paragraphs in AR-C 80 would also need to be revised: .18, .19, .31, and .A3.</p>		
24	AR-C section 80, paragraph .32	1 – Sergio	<p>Revise as follows:</p> <p>When supplementary information accompanies financial statements and the accountant’s compilation report thereon, the accountant should clearly indicate the degree of responsibility, if any, the accountant is taking with respect to such information in either (Ref: par. .A35)</p> <ul style="list-style-type: none"> a. an <i>separate</i> other matter paragraph in the accountant’s compilation report on the financial statements or b. a separate report on the supplementary information. 	Agree.	YES

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25	AR-C section 80, paragraph .33	1 – Sergio	<p>Revise as follows:</p> <p>When the accountant has performed a compilation engagement with respect to both the financial statements and the supplementary information, the accountant should include an other matter <i>separate</i> paragraph in the accountant’s compilation report on the financial statements or issue a separate report on the supplementary information that states (Ref: par. .A36 and .A38)</p> <ul style="list-style-type: none"> a. the <i>supplementary</i> information is presented for purposes of additional analysis and is not a required part of the basic financial statements; b. the <i>supplementary</i> information is the representation of management; and c. the <i>supplementary</i> information was subject to the compilation engagement, however, the accountant has not audited or reviewed the information and, accordingly, does not express an opinion, a conclusion, nor provide any assurance on such <i>supplementary</i> information. 	<p>Agree with respect to the edit in the first paragraph.</p> <p>However, the revisions in the lettered items are not consistent with the traditional reporting.</p>	YES
26	AR-C section 80, paragraph .A36	1 – Sergio	<p>Revise as follows:</p> <p>The following is an example of how an accountant may word a separate (<i>other matter</i>) paragraph in the accountant’s compilation</p>	No need to add the parenthetical.	NO

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			report addressing supplementary information when the accountant has performed a compilation engagement on both the financial statements and the supplementary information:...		
27	AR-C section 80, paragraph .34	1 – Sergio	<p>Revise as follows:</p> <p>When the accountant has performed a compilation engagement with respect to the financial statements but the supplementary information was not subject to the compilation engagement, the accountant should include an other matter separate paragraph in the accountant’s compilation report on the financial statements or issue a separate report on the supplementary information that states (Ref: par. .A37–.A38)</p> <ul style="list-style-type: none"> a. the supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements; b. the supplementary information is the representation of management; and c. the supplementary information was not subject to the compilation engagement and, accordingly, the accountant does not express an opinion, a conclusion, nor provide any assurance on such supplementary information. 	<p>Agree with respect to the edit in the first paragraph.</p> <p>However, the revisions in the lettered items are not consistent with the traditional reporting.</p>	YES

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28	AR-C section 80, paragraph .35	1 – Sergio	<p>Revise as follows:</p> <p>The following is an example of how an accountant may word a separate (<i>other matter</i>) paragraph in the accountant’s compilation report addressing supplementary information when the accountant has performed a compilation engagement on the financial statements but has not performed a compilation on the supplementary information:...</p>	No need to add the parenthetical.	NO
29	AR-C section 80, paragraph .35	1 – Sergio	<p>Revise as follows:</p> <p>With regard to the requirement in paragraph .32, with respect to required supplementary information, the accountant should include an other matter <i>separate</i> paragraph in the accountant’s compilation report on the financial statements. The other-matter paragraph should include language to explain the following circumstances, as applicable:...</p>	Agreed.	YES
30	AR-C section 80, paragraph .36	1 – Sergio	<p>Revise as follows:</p> <p>If the entity has presented all or some of the required supplementary information and the accountant did not perform a compilation engagement on the required supplementary information, the other matter <i>separate</i> paragraph in the accountant’s compilation report referred to in paragraph .32 should include the following elements:...</p>	Agreed.	YES

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31	AR-C section 80, paragraph .37	1 – Sergio	Revise as follows: If all the required supplementary information is omitted, the separate (<i>other matter</i>) paragraph in the accountant’s compilation report should include the following elements:...	No need to add the parenthetical.	NO
32	AR-C section 90, paragraph 1	6 - GT	This paragraph states, “This section may also be applied, as necessary in the circumstances, to engagements to review other historical financial information.” The application guidance then specifies that other historical financial information includes elements, items or accounts of a financial statement. We believe the paragraph language should align with that of paragraph 2 of AU-C Section 200, <i>Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Generally Accepted Auditing Standards</i> , which states “[GAAS] are to be adapted as necessary in the circumstances when applied to audits of other historical financial information.” We believe SSARS is the appropriate set of standards under which to perform review engagements of other historical financial information; therefore, conforming the language to AU-C 200 could make it more definitive for practitioners to use SSARS for reviews of this information.	Agreed – except the phrase “when applied” is excluded as it seems to imply that the standard is not required to be applied to reviews of other historical financial information.	YES
33	AR-C section 90, paragraph 1	8 – TIC	TIC believes an additional amendment to AR-C 90, other than those that are proposed in the ED, is necessary to change the guidance relating to reviews of specified elements, accounts or items of a financial statement. TIC obtained guidance from former ASB member and Chair of the Attestation Standards	Agreed – see consideration with respect to preceding comment.	YES

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			<p>Clarification Task Force Don Pallais on this matter.</p> <p>As written, AR-C 90 permits, but does not require, a review of specified elements, accounts or items of a financial statement to be performed under the SSARS. TIC believes this conclusion is incorrect based on the current and recently clarified attestation standards. Both extant (AT 101.01, .04) and the forthcoming clarified (AT-C 105.01, .03) attestation standards apply to all reviews except those for which standards are established by SASs and SSARSs. Thus, the applicability of the attestation standards depends on the SSARS: if SSARSs establish the standards, the attestation standards do not apply; if the SSARSs don't establish the standards, the attestation standards apply.</p> <p>If the SSARSs do not establish the standards applicable to reviews of elements, accounts, or items of a financial statement, the attestation standards, not SSARSs, govern. Although the two sets of review standards are similar, they are not identical, and an accountant who applies AR-C 90 as suggested in AR-C 90.01 would likely not comply with AT 101 and would be in violation of professional standards. It would unnecessarily cause an accountant to have to defend himself or herself against quality control reviewers, peer reviewers, regulators, or plaintiffs who read the standard literally. That doesn't seem to be an optimal outcome. In addition to these considerations, TIC believes that, for the sake of clarity, practitioners should not be given a choice</p>		

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			of two different standards to perform the same engagement. Although there are several options for addressing this issue, TIC prefers that the SSARS require AR-C 90 to be followed when the accountant has been engaged to review specified elements, accounts or items of a financial statement.		
34	AR-C section 90, paragraph .12	1 – Sergio	Revise as follows: The engagement letter or other suitable form of written communication agreement should be signed by...	Agreed.	YES
35	AR-C section 90, paragraph .49	1 – Sergio	Revise as follows: When the current accountant’s report on the financial statements of the prior period contains a changed reference to a prior departure from the applicable financial reporting framework, the current accountant’s review report should include an other-matter paragraph indicating...	The language is consistent with paragraph .14 of AR section 200 (pre-clarity) and has not been the source of confusion.	NO
36	AR-C section 90, paragraph .A147 (Illustration 3)	1 – Sergio	Revise as follows: I (We) have reviewed the accompanying financial statements of XYZ Partnership, which comprise the statement of assets, liabilities, and partners’ capital—tax-basis as of December 31, 20XX, and the related statements of revenue and expenses—tax-basis, and partners’ capital—tax-basis for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to	Agreed.	YES

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COMMENT NO.	Paragraph in the Exposure Draft or Topic	Commenter	Comments	Consideration of Comments	Change Made to Proposed SSARS?
			management’s (partners’) financial data and making inquiries of partnership management (owners <i>partners</i>). A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statement as a whole. Accordingly, I (we) do not express such an opinion.		
37	AR-C section 90, paragraph .A147 (Illustration 4)	1 – Sergio	<p>Revise as follows:</p> <p>I (We) have reviewed the accompanying <i>interim</i> financial statements of XYZ Company, which comprise the balance sheet as of September 30, 20XX, and the related statements of income, changes in stockholders’ equity, and cash flows for the three and nine months then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management’s (owners’) financial data and making inquiries of company management (owners). A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I (we) do not express such an opinion.</p> <p><i>Management’s Responsibility for the Financial Statements</i></p> <p>Management (Owners) is (are) responsible for the preparation and fair presentation of these <i>interim</i> financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant</p>	Agreed.	YES

Summary of Comment Letters – Compilation of PFI and Pro Forma and Omnibus ED
ARSC Meeting, May 17-19, 2016

COMMENT NO.	Paragraph in the Exposure Draft or Topic	Commenter	Comments	Consideration of Comments	Change Made to Proposed SSARS?
			<p>to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error...</p> <p><i>Accountant's Conclusion</i></p> <p>Based on my (our) review, I am (we are) not aware of any material modifications that should be made to the accompanying <i>interim</i> financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America...</p>		