



## Agenda Item 4

### **Incremental Procedures for a Review Performed in Accordance with ISRE 2400 (Revised)**

#### **Objective of Agenda Item**

To consider the draft non-authoritative summary “Incremental Procedures Required to be Performed if a Review is to be Conducted in Accordance with SSARSs and International Standard on Review Engagements 2400 (Revised), *Engagements to Review Historical Financial Statements*.

#### **Background**

In January 2017, the ARSC reviewed an informal document that purported to outline those requirements that accountants who are engaged to perform a review engagement in accordance with ISRE 2400 (Revised) are required to perform in addition to those requirements in AR-C section 90, *Review of Financial Statements*. The ARSC concluded that a review performed in accordance with ISRE 2400 (Revised) is substantially the same as a review performed in accordance with SSARSs. The Committee requested that a document be presented that showed the requirements of ISRE 2400 (Revised) and those of AR-C section 90 in a side by side format and stated that it would consider whether there were any incremental procedures that an accountant would have to perform in order to have performed the review in accordance with ISRE 2400 (Revised).

At its meeting in May 2017, the ARSC reviewed a side-by-side comparison of ISRE 2400 (Revised) and AR-C section 90 and directed that a draft summary of incremental requirements that an accountant would be required to perform in a review in accordance with both ISRE 2400 (Revised) and AR-C section 90 be presented to the ARSC at its meeting in August 2017.

Note that the proposed summary does not include incremental procedures with respect to inquiries and written representations regarding going concern. Such inquiries and representations are included in the proposed SSARS, *Omnibus Statement on Standards for Accounting and Review Services – 2018*. That proposed SSARS is currently in exposure for public comment (the comment period ends on December 14, 2017 and the ARSC plans to review the comment letters received at its meeting in January 2018).

ISRE 2400 (Revised) and AR-C section 90  
Discussion Memorandum  
ARSC Meeting, November 14-16, 2017

**Action Requested of ARSC**

The ARSC is asked to consider and provide feedback on the draft non-authoritative summary “Incremental Procedures Required to be Performed if a Review is to be Conducted in Accordance with SSARs and International Standard on Review Engagements 2400 (Revised), *Engagements to Review Historical Financial Statements*.”

The ARSC is also asked to consider where the non-authoritative document should be made available: (1) as a non-authoritative exhibit to AR-C section 90; (2) as a non-authoritative exhibit to the AICPA Guide *Preparation, Compilation, and Review Engagements*; (3) on the AICPA website; or (4) other.

**Agenda Items Presented:**

- Agenda item 4A      Draft non-authoritative summary “Incremental Procedures Required to be Performed if a Review is to be Conducted in Accordance with SSARs and International Standard on Review Engagements 2400 (Revised), *Engagements to Review Historical Financial Statements*”
- Agenda item 4B      Side-by-side comparison of ISRE 2400 (Revised) requirements to AR-C section 90 with summary of ARSC consideration from May 2017 meeting.