



## Agenda Item 1B (5)

### Q3 - Professional Skepticism

Hierarchical Name	Respondent	Response	Comments
Nodes\\Q03	02 - Alpresh Shah	<p>The basic premise of the review engagement is to perform inquiries of management and conduct detail analytics to draw appropriate conclusion. However, I do believe that the review engagement should include a concept of professional skepticism as the accountants do provide “some sort of assurance” on the review engagement independently and in this scenario, the proposed application guidance absolutely appears helpful. Accountants should be able to decide, based on this guidance, whether or not to extend or modify review procedures under certain facts and circumstances to draw reasonable conclusions.</p>	
Nodes\\Q03	03 - Carr Riggs	<p>CRI believes the proposed requirement to plan and perform the review with professional skepticism is beneficial. We also believe accountants are better served with the proposed application guidance, which is currently provided only in the AICPA Guide to Preparation, Compilation, and Review Engagements.</p>	

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Nodes\\Q03	04 - NJCPA	<p>The Group agrees with the proposed implementation of an explicit requirement for the accountant to plan and perform the review with professional skepticism. Professional skepticism is necessary to critically assess review evidence.</p> <p>The Group believes the application guidance of an explicit requirement for professional skepticism in proposed revision 90.11 is helpful.</p>	
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Nodes\\Q03	05 - NYSSCPA	<p>We agree with this explicit requirement, and believe that an accountant should be required to maintain a level of professional skepticism throughout the review engagement. Current practice aids already include inquiries of management related to fraud. The proposed application guidance is helpful and sufficient, and no further revision is considered necessary.</p>	
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Nodes\\Q03	06 - CLA	<p>We agree with the proposed explicit requirement for the accountant to plan and perform the review with professional skepticism.</p> <p>The proposed application guidance is helpful and sufficient.</p>	
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Nodes\\Q03	07 - NASBA	<p>We support the definition of professional skepticism and the proposed explicit requirement for the accountant to plan and perform the review with professional skepticism. We agree that guidance in this area is needed and what is being proposed is helpful.</p>	
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Nodes\\Q03	08 - Michigan OAG	We have no objection to explicitly reminding the accountant to maintain their professional skepticism. We consider the definition as appropriate.	
Nodes\\Q03	09 - ICPAS	The Committee believes that the addition of an explicit requirement to conduct the review with professional skepticism will add value of the review report and that the application guidance is helpful.	
Nodes\\Q03	10 - Crowe LLP	We believe that the proposed explicit requirement for the accountant to plan and perform the review with professional skepticism is appropriate. Having this mindset is critical for the identification of material misstatements in the financial statements. Many accountants who perform review engagements are familiar with the concept of professional skepticism from the execution of audit engagements. For accountants who do not perform audit engagements; we believe the application guidance is helpful and will be sufficient for those accountants understand how to apply professional skepticism in a review engagement. We also note that the new proposed requirement to document information inconsistent with the accountant's findings and how such information was addressed in the review engagement is consistent with the concepts of having a questioning mind and evaluating all review evidence obtained.	

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Nodes\\Q03	12 - NSAA	We believe the proposed application guidance is helpful and sufficient for accountants in applying the proposed requirement regarding professional skepticism.	
Nodes\\Q03	16 - Baker Tilly	We believe that professional skepticism is required to properly plan and execute a review engagement, therefore, we agree with the proposed additional explicit requirement. Further, we believe that the proposed application guidance is helpful and sufficient in assisting accountants in applying the proposed requirement.	
Nodes\\Q03	20 - VSCPA	We believe the proposed explicit requirement for the accountant to plan and perform the review with professional skepticism will be helpful and sufficient for accountants to apply the proposed requirements.	
Nodes\\Q03	21 - Deloitte	D&T agrees with the proposed explicit requirement for the accountant to plan and perform the review with professional skepticism.	
Nodes\\Q03	22 - FICPA	The Committee agrees with the proposed explicit requirement that accountants plan and perform the review with professional skepticism as this concept already permeates our existing professional requirements.	
Nodes\\Q03\\Q03 - Agree - with revision to definition	18 - Navolio Tallman	We agree with the proposed explicit requirement and believe that it is consistent with the intent of the standards. However, we would suggest that the definition be broadened to address all risks that might result in a misstatement. For example “An attitude that includes a questioning mind, being alert to	

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Nodes\\Q03\Q03 - Agree but additional application guidance is needed

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the risks that may cause a misstatement, and a critical assessment of review evidence.”

We agree with the addition of an explicit requirement for the accountant to plan and perform the review with professional skepticism. We believe the related proposed application guidance is helpful; however, we suggest additional application guidance should be included regarding how applying professional skepticism is inherent in performing the review procedures and how practical documentation of this would be addressed.

Additionally, the third bullet of proposed AR-C 90.A11 states that “Circumstances that suggest the need for review procedures in addition to those required by this section”; however, proposed AR-C 90.42 already reads:

If the accountant becomes aware of a matter or matters that cause the accountant to believe the financial statements may be materially misstated, the accountant should design and perform additional procedures sufficient to enable the accountant to conclude that the matter or matters are not likely to cause the financial statements as a whole to be materially misstated or determine that the matter or matters cause the financial statements as a whole to be materially misstated

We believe it is contradictory for the guidance to suggest the need for additional procedures in addition to those required in

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		<p>this section. It appears that the application guidance in proposed AR-C 90.A11 is intending to highlight that procedures other than inquiry and analytical procedures be performed. We recommend clarifying this such as: Circumstances that suggest the need for other review procedures in addition to inquiry and analytical procedures those required by this section Further, the second bullet of proposed AR-C 90.A12 uses the term "review observations," but this term is not employed or defined anywhere else in the section. We suggest using the term "review procedures" instead.</p>	
<p>Nodes\\Q03\Q03 - Agree but additional application guidance is needed</p>	<p>19 - Grant Thornton</p>	<p>We believe the proposed explicit requirement for the accountant to plan and perform the review with professional skepticism would benefit users of the review report and would enhance the value of the accountant's service. The addition of the notion of professional skepticism helps set the appropriate tone for the accountant when planning and performing the review. We recognize that many discussions and observations related to the application of professional skepticism are focused on audits of financial statements. We support an enhanced focus on the need for skepticism when performing a review of financial statements and we think the proposed application paragraphs (.A11 to .A15 of AR-C section 90) will be helpful guidance in that regard.</p>	

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We also encourage the ARSC to work with the AICPA staff to leverage the examples included in the proposed guidance in various other AICPA communications, training and possible research areas. Lastly, we recommend adding a bullet point for “conditions that indicate possible fraud” in paragraph .A11 of AR-C section 90, so that this guidance is consistent with paragraph .A22 of AU-C section 200.

Nodes\\Q03\Q03 - Agree but application guidance not needed 13 - TIC

TIC believes that professional skepticism is built into the existing professional requirements. Having it defined and as a requirement serves as a reminder of our responsibilities. However, TIC believes the additional application material does not appear necessary to understanding the requirement. As an example, paragraph A13 may be adequate to explain the application of professional skepticism without adding additional verbiage to the

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Nodes\\Q03\Q3 - Disagree with comments 01 - Alvaro Vivas

My comment on the request for Comment 3 pg. 8 of the PROPOSED STATEMENT ON STANDARDS FOR ACCOUNTING AND REVIEW SERVICES, is that this is not enough because you can find situations that have an indication that there is a fraud or crime and the auditor can not deepen by the time he has and the planning so that must move or should support this issue of Forensic Audit experts

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applied to different areas, who with their expertise and knowledge will establish an investigation according to it, because they are special cases, for contracts, these have aspects, variables and totally different characteristics  
Therefore, this aspect should be taken into account in the planning of the audit, in the management of the work papers and in the human resources that will be required for this purpose and the type of activity carried out by the organization, including its institutional and accounting policies.