



## Agenda Item 1B (7)

### Q6 - Remaining alert for indications of RPs and RPTs

Hierarchical Name	Respondent	Response	Comments
Nodes\\Q06	02 - Alpres Shah	Yes, the proposed additional required procedures with respect to the related parties are justified. If related party transactions and arrangements are not considered during the accountant's review, there could be a possibility that the financial statements are materially misstated in cases where such arrangements are significant and material. For example, transactions or arrangements identified during the review engagement that triggers consolidation of an entity under the VIE scenario or a material disclosure management omitted to	
Nodes\\Q06	03 - Carr Riggs	consider in the financial	
		With the added emphasis by the FASB and IASB on related party transactions, CRI agrees with this proposed requirement.	
Nodes\\Q06	04 - NJCPA	The Group agrees with the proposed additional requirement for the accountant in a review engagement to remain alert for arrangements	

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		<p>or information that may indicate the existence of related party relationships or transactions that were not previously identified or disclosed to the accountant. This is consistent with the requirement to consider plausible relationships among both financial and relevant, nonfinancial information which is already a requirement in a review engagement.</p>	
Nodes\\Q06	05 - NYSSCPA	<p>The Group believes the proposed additional <del>requirements about related</del> We agree with the proposed additional required procedures with respect to the accountant’s consideration of related parties in a review of financial statements. Related party transactions are a significant consideration due to their implications to the financial statements and therefore the additional required procedures are</p>	
Nodes\\Q06	06 - CLA	<p>We agree with the proposed additional required procedures with respect to the accountant’s consideration of related parties in a review of <del>financial statements</del></p>	
Nodes\\Q06	07 - NASBA	<p>We support the proposed additional required procedures with respect to the accountant’s consideration of related parties in a review of <del>financial statements</del></p>	
Nodes\\Q06	08 - Michigan OAG	<p>We agree that the accountant should remain alert for arrangements or information that may indicate the existence of related party transactions</p>	

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		that management has not previously identified or disclosed to the accountant. If such instances are identified, we agree the accountant should inquire with management about the nature of such transactions and	
Nodes\\Q06	09 - ICPAS	The Committee believes the additional procedures regarding the consideration of undisclosed transactions with related parties is appropriate.	
Nodes\\Q06	12 - NSAA	We agree that the accountant should remain alert for arrangements or information that may indicate the existence of related party transactions that management has not previously identified or disclosed to the accountant. If such instances are identified, we agree the accountant should inquire with management about the nature of such transactions and whether related parties could	
Nodes\\Q06	16 - Baker Tilly	We believe that the proposed additional required procedures are appropriate.	
Nodes\\Q06	18 - Navolio Tallman	We agree with the proposed additional required procedures.	
Nodes\\Q06	20 - VSCPA	We agree with the additional procedures.	
Nodes\\Q06	21 - Deloitte	D&T agrees with the proposed additional required procedures with respect to the accountant's consideration of related parties in a review of financial statements	

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Nodes\\Q06	22 - FICPA	The Committee agrees with the proposed additional requirement for the accountant to maintain their professional skepticism and remain alert for arrangements or information that may indicate the existence of related party relationships or transactions not previously identified or disclosed by management	
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Nodes\\Q06\Q06 - Agree - with suggestions to increase understandability of requirement	13 - TIC	Paragraph 29, as drafted, includes requirements to make inquiries regarding related party transactions. The additional language in paragraph 32 is somewhat repetitive in that it says the accountant should remain alert for related party relationships or transactions. TIC believes it may increase the understandability of the requirements if paragraphs .29 and 32- 33 were combined	
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Nodes\\Q06\Q06 - Agree - with suggestions to increase understandability of requirement	14 - RSM US LLP	We agree with the requirement for the accountant during the review to remain alert for arrangements or information that may indicate the existence of related party relationships or transactions that management has not previously identified or disclosed to the accountant. We also agree that if the accountant identifies significant transactions outside the entity's normal course of business in the course of performing the review, the accountant should inquire of management about the nature of those transactions and whether related parties could be involved. However, we suggest defining the term "significant," which is not currently defined in the SSARS	
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<p>Nodes\\Q06\Q06 - Agree but include additional guidance from AU-C section 550</p>	<p>11 - KPMG LLP</p>	<p>standards, only “material” is. There are other instances of “significant” in the standard that are also undefined.</p> <p>We also support the Committee’s proposed requirements on consideration of related party transactions. We suggest the Committee consider enhancing the standard by including additional guidance similar to AU-C section 550, Related Parties, to assist the accountant with risk assessment to identify related party relationships and transactions; properly design review procedures to respond to related party relationships and transactions identified; the evaluation of accounting for, and disclosure of, identified related party relationships and transactions; and the communication to those</p>	
<p>Nodes\\Q06\Q06 - Agree but include additional guidance from AU-C section 550</p>	<p>19 - Grant Thornton</p>	<p>We support the proposed additional required procedures with respect to the accountant’s consideration of identified significant transactions outside the entity’s normal course of business in a review of financial statements in paragraph 33 of AR-C section 90. However, we suggest that the Committee also insert the related application guidance in paragraphs .A26 to .A28 of AU-C section 550 into AR-C section 90.</p> <p>This related application guidance would provide examples of transactions outside the entity’s normal course of business that may help the accountant identify relevant transactions to</p>	

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		consider when making these inquires of management. Additionally, this related application guidance would provide the accountant more	
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