



## Agenda Item 1B (8)

### Q8 – Documentation

Hierarchical Name	Respondent	Response	Comments
Nodes\\Q08	02 - Alpresh Shah	Yes, this proposed change makes sense. "Limited Assurance" should not preclude an accountant from at least giving an appropriate consideration to significant accounting matters or any inconsistencies noted during the review engagement. There should be a brief documentation as to how those significant accounting matters and inconsistencies were resolved in order to draw a reasonable conclusion on the review engagement whether or not material modifications that should be made to the financial statements.	
Nodes\\Q08	03 - Carr Riggs	CRI agrees with this proposed requirement.	
Nodes\\Q08	04 - NJCPA	The Group agrees with the proposal to require the accountant to document information that was inconsistent with the accountant's overall findings on the financial statements and other significant matters affecting the financial statements and how the inconsistency was addressed	

Summary of comments regarding additional documentation requirements – October 2019  
ARSC Meeting, October 23, 2019

Hierarchical Name	Respondent	Response	Comments
Nodes\\Q08	05 - NYSSCPA	We agree that an accountant should be required to sufficiently document their understanding of significant findings or issues arising during the review, the related conclusions reached, and the significant professional judgments used by the accountant in reaching those conclusions.	
Nodes\\Q08	06 - CLA	We agree with the proposed additional documentation requirement in a review of financial statements.	
Nodes\\Q08	07 - NASBA	We agree with the proposed additional required documentation in a review of financial statements.	
Nodes\\Q08	08 - Michigan OAG	We have no objection to the requirement that the accountant document information that the accountant identified that is inconsistent with the accountant's findings regarding significant matters affecting the financial statements. We consider such documentation as helpful to users when inconsistencies exist.	
Nodes\\Q08	12 - NSAA	We agree with the proposed requirement to document information that the accountant identified that is inconsistent with the accountant's findings regarding significant matters affecting the financial statements.	
Nodes\\Q08	16 - Baker Tilly	We believe that the proposed additional required documentation is appropriate.	

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Nodes\\Q08	20 - VSCPA	We agree with the proposed additional required documentation.	
Nodes\\Q08	21 - Deloitte	The additional documentation requirements in a review of financial statements appear appropriate.	
Nodes\\Q08	22 - FICPA	The Committee agrees with the proposed additional requirement that the resolution of inconsistencies be documented in a review of financial statements.	
Nodes\\Q08\Q08 - Additional requirement not necessary	09 - ICPAS	The Committee does not believe the additional explicit documentation requirement is necessary. The Committee believes the current requirements to document significant findings, issues and conclusions reached thereon are sufficient and already compel the accountant to document explanations of any inconsistencies discovered during the course of the review engagement.	
Nodes\\Q08\Q08 - Disagree	18 - Navolio Tallman	We do not agree with the proposed additional required documentation and believe that the current documentation	

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Nodes\\Q08\Q08 - Disagree	19 - Grant Thornton	<p>According to paragraph 113(e) of AR section 90, if the accountant identifies information that is “inconsistent” with his or her findings regarding “significant matters affecting the financial statements,” the accountant should indicate how the inconsistency has been addressed in the review documentation. We believe this requirement needs further clarification and consideration. First, we recommend that the ARSC provide guidance as to what constitutes a “significant matter.”</p> <p>Second, we do not believe the ‘scope’ of the accountant’s responsibility for identifying an inconsistency is clearly defined. We do not think it would be appropriate for the accountant to include documentation for all inconsistent information that comes to the accountant’s attention during the review. We recommend that the ARSC reconsider whether additional guidance including a more clearly defined scope or threshold for this requirement would be helpful. Similarly, we believe it would be helpful if the ARSC provides application guidance to help the accountant determine what constitutes “inconsistent” information.</p> <p>We recommend that the ARSC consider other unintended consequences of this requirement including an unintentional expansion of the auditor’s work effort in performing the review. For example, what are the implications for information that is inconsistent with the accountant’s findings</p>	
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Nodes\\Q08\Q08 - Agree - with **13 - TIC**  
revisions

TIC is generally in agreement with the additional documentation requirements proposed in a review engagement, with the exception of the matters required to be communicated in items c and e of paragraph .113 which require communications with management, or those charged with governance, regarding significant matters arising during the engagement as well as how information that was inconsistent with the accountant’s findings was resolved. Additional inquiries, or other documentation, should be documented in the accountant’s procedures. Requiring written communications to management, or others, regarding these matters doesn’t provide additional useful information or add to the quality of the review. In addition, this could lead to significant amounts of information being provided that is of little useful information. TIC is also concerned that certain communications would become “boiler plate” and not add additional value to the review engagement.

Nodes\\Q08\Q08 - Agree - with **14 - RSM US LLP**  
revisions

We agree that the accountant should document information identified that is inconsistent with the accountant’s findings regarding significant matters affecting the financial statements and how the inconsistency was addressed, but we suggest this be included at proposed revised AR-C 90.112 (proposed renumbered from .94) rather than

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proposed.113 (proposed renumbered from .95) as proposed revised paragraph .112 covers documentation that provides a sufficient and appropriate record of the basis for the accountant's report rather than the letters, communications, financial statements and review report documentation. We suggest the addition of application guidance consistent with AU-C 230.A17 and .A18 to provide practical examples of how this may be