

## Analytical Procedures in a Review Engagement

### I. Objective of Agenda Item

To consider and provide feedback with respect to the draft Practice Aid, *Analytical Procedures in a Review Engagement*. The target is to issue the proposed practice aid as an electronic document prior to the end of calendar 2022.

### II. Background

At its meeting in August 2021, the ARSC concluded that a nonauthoritative practice aid on analytical procedures would assist practitioners in performing high quality review engagements. The ARSC had considered an article in the Journal of Accountancy but concluded that it would not significantly impact practice. The ARSC directed that the proposed practice aid utilize guidance included in the most recent edition of the AICPA Audit Guide, *Analytical Procedures*, adapted as necessary for review engagements. The audit guide was last updated in 2017 and is included as Agenda item 5B. In addition, the ARSC directed that the AICPA Peer Review Team be requested to provide a list of any identified problem areas associated with the performance and documentation of analytical procedures in a review engagement. Guidance with respect to those areas could be addressed in the practice aid. If appropriate, post-issuance of the nonauthoritative practice aid, the ARSC could consider including the guidance in a future edition of the authoritative Guide, *Preparation, Compilation, and Review Engagements*.

A first draft of the proposed practice aid was circulated to the ARSC members in January 2022. The draft document presented as Agenda item 5A is presented in track changes to reflect revisions to that January 2022 draft pursuant to the ARSC review in the first quarter of the year.

### Additional Agenda Items Presented:

Agenda item 5A            Draft Practice Aid, *Analytical Procedures in a Review Engagement*

Agenda item 5B            AICPA Audit Guide, *Analytical Procedures*