

# INDEX

[References are to paragraph numbers except where otherwise indicated.]

**Accepting new clients**, 120

**Accounting (bookkeeping)**, 155.06–.07

**Accounting and financial reporting standards**, 107

- Basis of accounting other than GAAP, 107.19
- Compilation engagements, 107.20–.22
- General accepted accounting principles (GAAP), see **General accepted accounting principles (GAAP)**

**Accounting principles**

- Financial statements and, 200.06–.07

**Analytical procedures**, 240, 245.19–.22

- Appropriate, 240.10–.12
- Considering significance of difference, 240.33–.36
- Dealing with differences or deviations, 240.25–.41
- Deciding when difference should be investigated, 240.26–.32
- Defined, 240.08–.09
- Developing analytical ratio history, 240.21
- Documenting use of, 260.10
- Evaluating results of, 240.22
- Examples, 240.13–.14
- Initial engagements, 245.16–.18
- Investigating significant differences, 240.37–.41
- Limitations of, 240.42
- Purpose of, 240.01–.07
- Ratio analysis, 240.17–.20
- Reasonableness or overall tests, 240.16
- Trend analysis, 240.15
- When results unfavourable, 240.23–.24
- Worksheet, 290.10

**Association**, *See* **Practitioner's name or communication**

**Assurance standards**, 105.07–.10

- Auditing and Assurance Standards Board (AASB), 105.04–.06
- Authority, 105.13

**Audit engagements**

- Comparison, App. 1B

**Auditing and Assurance Standards Board (AASB)**, 105.04–.06

**Balance sheet**

- Format, 525.04
- Title, 525.01–.03

**Banks, needs of**, 115.08

**Bookkeeping services**, 155.06–.07

**CPA Canada Handbook**, 105.01–.03

- Assurance, 105.11–.12
- GAAP, 107.02–.071

**Cash**

- Bank overdraft (indebtedness), 605.03
- Definitions, 605.04
- Details of cash components, 605.06–.09
- Disclosure of, 605.05
- General, 605.01–.02
- Policy of reporting, 605.10–.12
- Restrictions, 605.13

**Cash flow statements**, *See also* **Cash**

- Basic elements, 610
- Business combinations, 610.08
- Disposals of business units, 610.08
- Financing activities, 635
  - • Cash dividends, 635.04–.05
  - • Shares acquired by company for cancellation, 635.10
  - • Short-term and long-term debt, 635.07–.09
  - • Withdrawals (drawings), 635.06
- Foreign currencies, 610.09–.10
- Format considerations, 620
  - • Analysis of cash for reporting period, 620.02–.03
  - • Captions, 620.06–.07
  - • Order of presentation, 620.05
  - • Title, 620.04
- Gross net cash flows, 615.01–.02
- Income taxes, 610.05
- Introduction, 600
- Investing activities, 630
  - • Capital expenditures, 630.04–.06

- Disposal of fixed assets, 630.07
- Interest and dividend income, 630.12
- Short-term investments, 630.08–.11
- Investments accounted for using equity method, 610.06
- Joint arrangements, 610.07
- Net cash flows, 615.03–.04
- Non-cash investing and financing activities, 640
- Operating activities, from, 625
- Basic format, 625.05–.06
- Direct method, 625.07–.09
- Excluded, 625.04
- Included, 625.01–.03
- Indirect method, 625.10–.14
- Changes in current assets and liabilities, 625.19
- Groupings of accounts, 625.21–.22
- Non-cash entries to current assets/liabilities, 625.23–.24
- Supplemental information, 625.20
- Which method better, 625.15–.18
- Requirement, 600.05
- Review engagements, 645
- Documentation, 645.02–.03, App. 2B
- Practitioner's communication, 645.04–.07
- Types of cash flows, 610.04

### Checklists

- Cash flow statement, App. C (REC-2b)
- Closing checklist, App. B (REF-2)
- Compilation procedures, 1415.18, App. D (CEC-3)
- Compilation procedures checklist, 1445.08
- Forecast and projection engagements, App. D (CEC-4)
- Contingencies, App. C (REC-2f)
- Contractual obligations, App. C (REC-2g)
- Compilation Engagement Reporting and Completion, 130.04, App. C (REC-7)
- Financial instruments, App. C (REC-2h), (REC-2i)
- Financial statement disclosure checklist, 130.05
- Goodwill and other intangible assets, App. C (REC-2j)
- Initial engagement, opening numbers, App. B (REF-17)
- Interim review engagements, App. C (REC-5)
- Joint arrangements, App. C (REC-2d)
- Not-for-profit organizations, App. C (REC-4)
- Review engagement checklists, 290.05–.09, App. C (REC-1), App. C (REC-2)
- Review engagement report checklist, App. C (REC-3)
- Related party transactions and economic dependence, App. C (REC-2c)
- Revenue recognition App. C (REC-2a)
- Subsequent events, App. B (REF-19), App. C (REC-2e)
- Technical review checklist, App. C (REC-6)

- Trial balance preparation checklist, App. D (CEC-2)

### Client

- Accepting new, 120
- Assessment of required services, 120.08–.09
- Independence, 120.12, App. C (REC-8)
- Predecessor accountant, 125
- Reputation, 120.06
- Sources of information, 120.07
- Technical expertise and available resources, 120.10–.11
- Billings, 140
- Determining needs, 115
- Banks and other creditors, 115.08
- Review (or audit) of consolidated financial statements, 115.07
- Use of financial statements, 115.04–.06
- New client acceptance form, 130.03, App. B (REF-9)

### Client billings, 140

### Compilation engagements

- Client billing, App. A (CL-13)
- Comparison, App. 1B
- Legal exposure, 150
- Quality control, 132.12–.14

### Compilation procedures

- Basis of accounting, 1412.01–.06
- CPA section 9200, application of, 1460
- Engagement acceptance, 1410.01
- Engagement acceptance and continuance, 1410.02
- Engagement, change in type of, 1420
- change from full disclosure to almost no disclosure, 1420.07
- decrease in level of service, 1420.02–.06
- generally, 1420.01
- Engagement letter
- obtaining, 1410.03–.08
- rationale for, 1410.09–.14
- timing of, 1410.15
- updating, 1410.16–.19
- Engagement performance, 1415
- basis of accounting, 1415.25–.26
- business and professional considerations, 1415.46–.55
- documentation, 1415.30–.32, 1415.41
- generally, 1415.01–.07
- knowledge of accounting system and records, 1415.22–.24
- knowledge of client and industry, 1415.19–.21
- management representation, 1415.27–.29
- procedures not usually required, 1415.33–.37
- professional judgment regarding extent of procedures, 1415.08–.17

- • reporting, 1415.38
- • required procedures, 1415.18
- • subsequent events and contingencies, 1415.39–.40
- • withdrawal from engagement, 1415.43–.45
- Financial disclosure and GAAP, 1440.01–.09
- • income taxes, 1440.10–.12
- • management, 1440.13–.15
- • misleading financial information, 1440.16
- Financial statements, compiled, form and presentation of, 1455
- • basic financial statements, 1455.06–.10
- • generally, 1455.01
- • practitioner's report, reference to, 1455.11
- • title page, 1455.02–.05
- Forms and checklists, 1445.01–.05
- • compilation engagement checklist, 1445.08, Appendix D, CEC-7
- • compilation engagement plan, 1445.06, Appendix D, CEC-5
- • compilation engagement reporting and completion checklist, 1445.09, Appendix D, CEC-10
- • knowledge of accounting and business processes, 1445.07, Appendix D, CEC-6
- Form and presentation, of compiled financial statements, 1455
- • basic financial statements, 1455.06–.10
- • generally, 1455.01
- • practitioner's report, reference to, 1455.11
- • title page, 1455.02–.05
- GAAP, financial disclosure and, 1440.01–.09
- Generally, 1400.01–.10
- Interim financial statements, compilation of, 1456.01
- • communication, 1456.02–.03
- • standards and procedures, 1456.01
- Not-for-Profit Organizations, 1400.11
- Practitioner's report — Compilation Engagement Report, 1450.01
- • comparative financial statements, 1450.29
- • compilation engagement report, 1450.11
- • date of report, 1450.24
- • error, subsequent discovery of, 1450.25–.28
- • example for partnership, 1450.12–.16
- • financial information, other, 1450.30
- • incomplete financial statements, 1450.17
- • independence, 1450.18–.23
- • standards, 1450.02–.10
- Standards, 1405.01–.05
- Suggested working papers, 1430.01–.04

#### **Computer-produced records, 155.06–.07**

#### **Computerized financial statements, 155.08–.12**

#### **Consultation on technical and ethical issues, 160**

- In-firm, 160.05–.07
- Outside-firm, 160.08
- When and how to 160.02–.03

#### **Contingencies**

- Accounting and financial reporting, 1110
- • Contingencies resulting from government assistance, 1110.17
- • Contingent gains, 1110.10–.13
- • Contingent losses, 1110.04
- • General disclosure, 1110.01–.03
- • Going concern, 1110.14, App. B (REF-21)
- • • Material uncertainty, App. B (REF-21)
- • Guarantees, 1110.18–.21
- • Likely — loss not reasonably determinable, 1110.07
- • Likely — loss reasonably determinable, 1110.05–.06
- • Outcome not determinable, 1110.08
- • Restrictive debt covenants, 1110.15–.16
- • Unlikely, 1110.09
- Checklist, App. C (REC-2f)
- Defined, 1105
- • Three categories of, 1105.03
- Introduction, 1100
- Review engagement procedures, 1115
- • Contingencies identified, 1115.12–.13
- • Documentation, 1115.14–.15
- • GAAP departure, 1115.20–.24
- • Going concern, 1115.25
- • • Material uncertainty, App. B (REF-21)
- • Reporting, 1115.16–.19
- • Scope limitations, 1115.26–.29

#### **Contractual obligations — Commitments**

- Checklist, App. C (REC-2g)
- Definition, 1205
- Financial statement disclosure, 1210
- • Commitments and contingencies, App. B (REF-18)
- • Commitments with related parties, 1210.13–.14
- • Examples of note disclosure, 1210.07–.12
- • • Amount of commitment abnormal in relation to entity, 1210.09
- • • Commitments affecting level of future activities, 1210.11
- • • Commitments involving abnormal speculative risk, 1210.08
- • • Leases, 1210.12
- • What disclosed, 1210.01–.05
- • What not disclosed, 1210.06
- Introduction, 1200
- Review engagements, 1215

- • Documentation, 1215.14–.16
- • Report, 1215.17–.20
- • • Modifications, 1215.21–.25
- • Review procedures, 1215.05–.13
- • • Contractual obligations disclosed, 1215.13
- • • No contractual obligations requiring disclosure, 1215.11–.12
- • Risk-based review, 1215.03–04
- • Scope reservations, 1215.26–.28

#### **Creditors, needs of, 115.08**

#### **Current developments, 165**

- Compilation engagements, 165.01, 1400

#### **Disclosure**

- Cash, 605.05
- Checklist, 130.05
- Compilation procedures, 1400
- Contingencies, 1115.10–.13
- Contractual obligations, 1200
- Financial statements, 805.03–.07, 1210, App. E (DC-1)
- • Discontinued operations, 835.02
- • Error corrections, 840.05
- • Joint arrangements, 1320
- • Not-for-profit organizations, 1335.05–.08
- • Note disclosure, 1210.01–.14
- GAAP, 1215.04
- Interim financial reporting, 805.03–.07
- Joint arrangements, 1320
- Personal financial statements, 1625
- Related party transactions, 920
- • Examples of note disclosures, 920.06–.08

#### **Engagement acceptance/continuance, 210**

- Whether criteria met, 210.01–05

#### **Engagement letters, 210.06–.24**

- Additional provisions for limiting firm liability, 210.19–.24
- • Release from claims because of management representations, 210.21
- • Specifying time limitation, 215.22–.24
- • Third-party suits, 210.20
- AuG-16 requirement, 1520.01–.04
- Illustrations
- • Additional matters, App. A (CL-4)
- • Communication with predecessor, App. A (CL-1)
- • Compilation, App. A (CL-3)
- • Financial projection, App. A (CL-16)
- • Personal financial statements, App. A (CL-17)
- • Review, App. A (CL-2)

- Overcoming client resistance, 210.10–.13
- Purpose, 210.07–.09
- Timing of, 210.14
- Updating, 210.15–.18

#### **Financial data**

- Processing for clients of other accounting firms, 155.15

#### **Financial instruments, App. C (REC-2h), (REC-2i)**

#### **Financial statements**

- Accounting policy notes, 545
- • Basis of presentation, 545.04
- • Manner of disclosure, 545.03
- • Other disclosures, 545.05–.06
- • Sample disclosures, 545.07
- • Understanding accounting process, App. B (REF-16)
- • What included, 545.02
- • When required, 545.01
- Accounting principles and, 200.06–.07
- Approval of, 135
- Assisting clients to prepare, 155.13–.14
- Balance sheet
- • Format, 525.04
- • Title, 525.01–.03
- Basic, 520
- • Approval, 520.02
- • Comparative, 520.03–.06
- • Defined, 520.01
- • Headings, 520.07
- • Reference to practitioner's communication, 520.08
- • Referencing notes, 520.12–.15
- Cash flow statement, 540
- Computerized, 155.08–.12
- Consolidated, 115.07
- Disclosure checklist, 130.05
- • Disclosures passed, App. B (REF-7)
- Documentation, ASPE, App. 2B
- Entities that change fiscal period, 560
- Highlights memo, App. B (REF-3)
- Interim financial statements, 805
- • Changes in accounting estimates, 805.08–.10
- • Disclosure, 805.03–.07
- Illustrations with review engagement report, App. 5A
- Introduction, 500
- Joint arrangements, 1320
- Other notes, 550
- • Content, 550.08–.09
- • Format, 550.03–.04

- • General, 550.01–.02
- • Referencing notes, 550.07
- • Title, 550.05–.06
- Overview, 250
- • ASPE 1100, 250.21–.22
- • General overall view, 250.21–.23
- Practitioner's communication, 515
- • Addressee, 515.03–.08
- • Date, 515.11–.12
- • Heading, 515.02
- • Letterhead, 515.01
- • Salutations, 515.09
- • Signature, 515.10
- Preparation checklist — computer-generated trial balance, App. D (CEC-2)
- Presentation and disclosure requirements, App. E (DC-1)
- Release document, App. B (REF-1)
- Review, 845
- Routing instructions for processing, 130.10
- Significant accounting policy notes, *see above* Accounting policy notes
- Statement of income, 530
- • Format, 530.03–.08
- • Title, 530.01–.02
- Statement of retained earnings, 535
- • Combined statement of income and retained earnings, 535.02
- • Restatement of retained earnings, 535.03
- • Separate statement of retained earnings, 535.04
- • Title, 535.01
- Supplementary or other information, 555
- • Content, 555.02–.03
- • General, 555.01
- • Presentation, 555.04–.06
- • Reference to communication, 555.09–.11
- • Reporting, 555.07
- • Schedule headings, 555.08
- Table of contents, 510
- Title page, 505
- • Date or period covered, 505.07–.08
- • General, 505.01
- • Name of entity, 505.02
- • Title, 505.03–.06
- Use of, 115.04–.06

**Firm policies, understanding entity**, App. B (REF-16)

**Forecasts and projections**, *See also*, **Future-oriented financial information (FOFI)**

- Compilation procedures, 1530

- • Checklist, App. D (CEC-4)
- • AuG-16 procedures, 1530.02–.04
- • Letter of representation, 1530.05–.07
- Definitions, 1505
- • Assumptions, 1505.07
- • FOFI, 1505.02, 1504.04–.05
- • Forecasts and projections, 1505.03
- • Time period, 1505.06
- Documentation, 1535
- • Contents of working paper file, 1535.03–.06
- Engagement letter, 1520
- • AuG-16 requirement, 1520.01–.04
- General standards, 1510
- • Basic, 1510.02–.03
- • Unresolved issues, 1510.04
- Introduction, 1500
- • References, 1500.07–.08
- Practitioner's communication, 1540
- • AuG-16, 1540.01–.02
- • Examples, 1540.03–.04
- Understanding the entity and environment, 1525
- • Deficiencies in assumptions, 1525.05
- • Level of, 1525.04–.06
- • Presentation errors, 1525.06
- • Sources of, 1525.03

## Forms

- Consultation documentation, 160.04, App. B (REF-9)
- Journal entries approval form, App. A (CL-11)
- New client acceptance form, 130.03, App. B (REF-10)
- Planning forms, 285.04, App. B (REF-11)
- Staff and partners independence form, App. C (REC-8)
- Understanding the entity form, 130.04, 285.05, App. B (REF-11)

## Future-oriented financial information (FOFI)

- Basic standards for, 1510.02–.03
- Defined, 1505.02
- Form and style of presentation, 1515
- • Column headings, 1515.05–.06
- • Comparative, 1515.03
- • Statement titles, 1515.02
- • Summary of disclosures, 1515.07
- • Table of contents, 1515.04
- • Title page, 1515.04
- • Unaudited — *see* notice to reader, 1515.01
- Presentation, 1505.04–.05, 1515
- • Form and style of, 1515
- • • Column headings, 1515.05–.06
- • • Comparative, 1515.03

- • • Statement titles, 1515.02
- • • Title page and table of contents, 1515.04
- • • Unaudited, 1515.01
- Unresolved issues, 1510.04

### **General accepted accounting principles (GAAP), 107**

- Basic concepts, 107.09
- CPA Canada Handbook, 107.02–.071
- Contingencies, 1115.17
- Definition, 107.010–.11
- Joint arrangements
- • Reservations, 1325.06–.07
- Primary sources of, 107.12
- • Other sources, 107.13–.15
- Related party transactions
- • Reservations, 950.10–.16
- Reviewed financial statements, 107.17–.18
- Statement presentation, 107.16
- Type of issue addressed, 107.08

### **General firm procedures, 130**

- Engagement continuance, 130.03
- Financial statement disclosure checklist, 130.05
- Firm policies, 130.02
- New client acceptance, 130.03
- Understanding the entity, 130.04

### **Goodwill**

- Review engagement checklist, App. C (REC-2j)

### **Government forms**

- Preparing, 155.16

### **Guidelines, 105.14–.16**

### **Income tax returns, 155.17–.22**

- Transmittal letter, App. A (CL-8)

### **Independence, 109**

- Compilations, 109.03–.07, 109.32–.34
- Consultations, 109.30–.31
- Examples, 109.17–.21
- Framework of standard, 109.08–.11
- Policies, 109.27–.31
- Prohibitions, 109.22–.24
- Review engagements, 109.02
- Safeguards, 109.14–.16
- Staff and partners acknowledgement form, App. C (REC-8)
- Threats to, 109.12–.13
- Written statement, 109.27

### **Interim financial reporting, 800**

- Discontinued operations, 835
- • Financial statement disclosure, 835.02
- Error corrections, 840
- • Financial statement disclosure, 840.05
- Interim financial statements, 805
- • Changes in accounting estimates, 805.08–.10
- • Disclosure, 805.03–.07
- Interim reporting periods, 810
- • General application, 810.01–.02
- • Highly seasonal business, 810.03–.04
- Introduction, 800
- Materiality, 815
- Recognition and measurement, 820
- • General criteria, 820.01–.03
- • More specific guidance on application, 820.04
- Restatements, 825
- • Reporting changes in accounting policies, 825.01–.06
- Review of interim financial statements, 845
- • Materiality, 845.03
- • Release document, App. B (REF-1)
- • Reporting, 845.04
- • Reservations, 845.05–.07
- • Standards and procedures, 845.01–.02

### **International standards, 105.23–.25**

### **Investments**

- Cash flows from, 610.06

### **Joint arrangements**

- Accounting for investor's contribution to, 1315
- • Contributions at inception, 1315.02
- • Contributions subsequent to inception, 1315.03
- • Related party transactions, 1315.05–.06
- • Sales/purchases subsequent to inception, 1315.04
- • Statements at different dates, 1315.07
- Cash flows from, 610.07
- Changes from ASPE 3055 to 3056, 1315.08
- Checklists, App. C (REC-2d)
- Defined, 1305
- Financial statement disclosure, 1320
- • Accounting policy note examples, 1320.07
- • Explanatory notes to financial statements, 1320.08
- • Required disclosure, 1320.02–.06
- Interests in, 1320.07–.08
- Introduction, 1300
- Not-for-profit organizations, 1335
- • Financial statement disclosure, 1335.05–.07
- • • Examples, 1335.09–.10

- • Related party transactions, 1335.08
- • Reporting methods, 1335.02–.04
- Other investments, 1305.06
- Policy choices for interests in, 1310
- • Accounting for jointly controlled assets, 1310.03
- • Accounting for jointly controlled enterprises, 1310.04
- • Accounting for joint operations, 1310.02
- • Cost method, 1310.05
- • Equity method, 1310.06
- • Loss of joint control, 1310.09–.10
- • Proportion of assets, liabilities, revenue and expenses, 1310.07–.08
- Required presentations, 1320.01
- Review engagements, 1325
- • GAAP departures or scope limitations, 1325.02–.05
- • GAAP reservations, 1325.06–.07
- • Scope reservations, 1325.08–.10
- Types of, 1305.07

#### **Journal entries approval form, App. A (CL-11)**

#### **Legal exposure, 150**

- Damage control, 150.06, 150.08
- Defensive measures, 150.03–.05
- Engagement continuance risk, App. B (REF-8)
- Engagement letters, 150.10
- Facts, 150.02
- Professional liability insurance, 150.05
- Risk avoidance, 150.06–.09

#### **Limited assurance, 205.01**

#### **Limited liability partnerships, 705.051–.052**

#### **Not-for-profit organizations, 1335**

- Checklists, App. C (REC-4)
- Compilation procedures, 1456.01
- Financial disclosure statement, 1335.05–.07
- • Examples, 1335.09–.10
- Related party transactions, 1335.08
- Reporting methods, 1335.02–.04
- Review procedures, 200.04–.05

#### **Other services, 155**

#### **Outline of guide, 100**

#### **Partnerships**

- Admission of new partner, 720.03–.10
- • Bonus method, 720.07–.08
- • Goodwill method, 720.09
- Changes in interest, 720

- Equity section of balance sheet, 715.06–.08
- Loans, 710.02–.04
- Sale of partnership interest, 720.17–.18
- Withdrawal or death of partner, 720.11–.16

#### **Personal financial statements**

- Basis of presentation, 1610
- • Cash or accrual, 1610.05
- • Estimated current value basis, 1610.01
- • Historical cost, 1610.02–.04
- • Other bases of accounting, 1620.06
- Carrying values of assets and liabilities, 1620
- • Estimated current values, 1620.01–.07
- • Potential tax, 1620.12–.15
- • Range of values, 1620.08–.09
- • Tax shelters, 1620.10–.11
- Compilation of statements, 1640
- • Communication, 1640.05
- • Standards and procedures, 1640.01–.04
- Compilation procedures checklist, App. D (CEC-1)-(CEC-4)
- Disclosures, 1625
- Engagement, 1630
- • Acceptance of clients, 1630.02–.03
- • Client representation letters, 1630.10–11
- • General, 1630.01
- • Inadequate accounting records, 1630.05–.08
- • Letters, 1630.04
- • Worksheet, 1630.09
- Entity to be covered, 1605
- • Ownership information, 1605.02–.03
- Financial statements, 1615
- • Balance sheet, 1615.01–.02
- • Comparative financial statements, 1615.05
- • Statement of changes in cash resources, 1615.04
- • Statement of changes in net worth, 1615.03
- General, 1600
- • Completeness of information, 1600.06
- • Guidance, 1600.04–.05
- • Types of engagement, 1600.07–.10
- Illustrations, 1645, App. 16A
- Preparer's worksheet, App. C (REC-9)
- Representation letter, App. A (CL-7)

#### **Personal information**

- Consent for collection, use and disclosure of, 131.15–.17
- Defined, 131.06–.10
- Principles for protection of, 131.11

#### **Pivot (CA Magazine), 105.22**

**Practice Advice**, 105.17, App. 1C

**Practitioner**, 100.18–.23

**Practitioner's name or communication**, 108

**Predecessor accountant**, 125

- Agreement in writing, 125.14

**Privacy laws**, 131

- Costs of compliance, 131.12–.14
- Effect on practitioner, 131.18–.24
- • Assurance engagements, 131.19
- • Non-assurance engagements, 131.21–.24
- • Possible scope limitation, 131.20
- Introduction, 131.01–.02
- Principles for protection of private information, 131.11
- Privacy plan, 131.25
- Reading list, 131.26–.27
- Why concern, 131.03–.05

**Professional liability insurance**, 145, 150.05

**Professional standards**, 105

**Provincial bodies**, 160.10–.12

**Purpose of guide**, 100

**Quality control**, 132

- Compilation engagements, 132.14
- Continuing professional development, 132.15
- Deficiencies, 132.12
- Practice inspection, 132.11
- Review engagements, 132.13

**Related party transactions**

- Checklist, App. C (REC-2c)
- Defined, 905
- Disclosure, 920
- • Examples of note disclosures, 920.06–.08
- Economic dependence, 930
- • Examples of note disclosure, 930.04–.05
- • Significant volume of transactions, 930.06
- • • Examples, 930.07–.08
- Financial instruments, ASPE 3840, 900.04–.07
- How measured, 910
- • Carrying amount, 910.12
- • • Illustration, 910.14
- • • When used, 910.13
- • Exchange amount, 910.15–.21
- • Leasing arrangements with related parties, 910.22–.23
- • Measurement issues and definitions, 910.06–.11

- • Summary, 910.23
- Introduction, 900
- Joint arrangements, 1315.05–.06
- Not-for-profit organizations, 1335.08
- Review engagements, 950
- • Documentation, 950.024–.025
- • GAAP reservations, 950.05–.08
- • • Economic dependence, 950.12–.13
- • Reporting, 950.03–.04
- • Review procedures, 950.01–.023
- • Scope reservations, 950.09–.11

**Reports on supplementary matters, CSRS 4460**, 365

**Representation letters**, 265

- Financial projection, App. A (CL-14)
- Illustrations, 265.08–.09
- Personal financial statement, App. A (CL-15)

**Review engagements**

- Addressee of report, 310
- Adverse conclusion, 330.17
- Application of report to notes to financial statements, 330.25–.26
- Bank confirmations, 295.05–.09
- Cash flow statements, 645
- • Documentation, 645.02–.03
- • Practitioner's communication, 645.04–.07
- Changes in accounting policies, 355
- Checklists, 285.01–.03, App. C (REC-1)
- • Report, App. C (REC-3)
- • Supplementary, App. C (REC-2)
- • • Cash flow statements, App. C (REC-2b)
- • • Introduction to, App. C (REC-2)
- • • Not-for-profit organizations, App. C (REC-4)
- • • Revenue recognition, App. C (REC-2a)
- • Supplementary review questions
- • • Contingencies, App. C (REC-2f)
- • • Contractual obligations, App. C (REC-2g)
- • • Financial instruments, App. C (REC-2h), (REC-2i)
- • • Goodwill and other intangible assets, App. C (REC-2j)
- • • Joint arrangements, App. C (REC-2d)
- • • Related party transactions and economic dependence, App. C (REC-2c)
- • • Subsequent events, App. B (REF-19), App. C (REC-2e)
- Client billing, App. A (CL-12, CL-13)
- Closing discussions with management, App. B (REF-4)
- Comparison, App. 1B
- Contractual obligations, 1215
- Date of report, 315

- Disclaimer of conclusion, 330.23–.24
- Documentation, App. 2B
- Emphasis of matter, 325
- Environmental matters, 295.10
- Going concern matters, 295.02–.041, App. B (REF-21)
- • Material uncertainty, App. B (REF-21)
- Highlights memo, App. B (REF-3)
- Interim checklist, App. C (REC-5)
- Introduction, 300
- Joint arrangements, 1325
- Legal exposure, 150
- Legislation, 295.11–.13
- Modifications, 330
- Negative assurance, 320
- Other reporting implications, 350
- • Comparative financial statements, 350.01–.04
- • Review of opening figures, 350.05
- • Transition to accounting standards for private enterprises, 350.06–.13
- Other topics, 295
- Planning notes, App. B (REF-11), (REF-13), (REF-14)
- Qualified conclusion
- • Departure from appropriate criteria (ASPE), 330.12–.16
- • Inability to complete review, 330.20–.22
- Quality control, 132.11–.14
- • Documentation, App. 2B
- Related party transactions, 950
- Reviews of compliance with agreements and regulations — CSAE 3530 and 3531, 345
- • Reporting, 345.05–.09
- Reviews of financial information other than financial statements — CSRE 2400, 340
- • Reporting, 335.04–.17
- Special purpose framework, ASPE, 335
- • Examples, 335.06–.13
- • Modified, compliance framework, 335.12–.13
- • Reporting framework, 335.04–.05
- • Unmodified, compliance framework, 335.07
- • Unmodified, fair presentation, 335.09–.11
- Standards, 305
- Streamlining engagement and mitigating review engagements, 290
- Subsequent discovery of misstatement, 360
- Subsequent events, 360.06–.08, 1015, 1020, App. B (REF-19)
- Unincorporated entities, 740.01–.02

#### **Review procedures**

- Accounting estimates, 245.04–.05
- Accounting principles and financial statements, 200.06–.07

- Additional client representations, App. 2A
- Additional or more extensive procedures, 245.23–.25
- Change in type of engagement, 210.25
- • Decease in level of service from audit to review, 210.28–.29
- • Decease in level of service from review to compilation, 210.30
- • Documentation, 210.31
- • Increase in level of service, 210.26
- • • Comparative financial statements, 210.27
- Communications with those having responsibility for financial reporting, 270
- Compliance with agreements and regulations, 280
- Conclusion and reporting, 250, 250.24–.28
- Documentation, App. 2B
- Engagement letters, 210.06–.24
- Engagement plan, 220
- • Materiality, 220.05–.26
- • • Qualitative, 220.18–.20
- • • Quantitative, 220.10–.17
- Examples, App. 2C
- • Accounts payable and accrued liabilities, 210C
- • Accounts receivable, 205C
- • Accrued liabilities, 215C
- • Bank indebtedness, 220C
- • Cost of sales, 210C
- • Equity, 240C
- • Introduction, 200C
- • Inventory, 210C
- • Long-term assets, 225C
- • Long-term debt and interest on long-term debt, 220C
- • Receivables relationships, 205C
- • Related parties, 230C
- • Revenue and expenses, 205C
- • Selling and administrative expenses, 215C
- Financial information other than financial statements, 275
- Financial statements, overview of, 245.01, 250.21–.23
- Fraud detection, 245.02–.03
- Going concern, 245.08–.11
- Inquiry, 235
- • Illustrative, 235.08–.11
- • Requirements, 235.01–.07
- Introduction, 200
- Material misstatement, identification of likely, 220.40–.42, App. B (REF-12)
- • Accumulation of, 250.01–.17
- • Develop a plan, 220.42
- • Management abuse of materiality, 250.18–.20
- Not-for-profit organizations, 200.04–.05
- Performance of review, 230

- • Procedures not normally required, 230.12–.14
- • Professional judgment regarding extent of procedures, 230.06–.11
- Planning, 220, App. B (REF-11), (REF-13)
- Representation letters, 265, App. 2A
- Standards
  - • General standards, 205.03–.16
  - • Limited assurance, 205.01
  - • Requirements, 205.02
  - • Withdrawal from engagement, 210.32–.35
- Understanding of entity and environment, 220.27–.42, App. B (REF-15), (REF-16)
  - • How to acquire, 220.32–.39
    - • • Accounting systems, 220.34
    - • • Client, 220.33
    - • • Industry, 220.32
  - • What level necessary, 220.28–.31
- Work performed by others, 245.12–.15
- Working paper documentation, 260
  - • Conclusion, 260.09
  - • Contents, 260.05–.07
  - • Retention of, 260.03–.04

**Risk Alert**, 105.19, App. 1C

**Rules of professional conduct**, App. 1A

**Schedule of uncorrected misstatements**, 290.10, App. B (REF-6), (REF-7)

#### **Sole proprietorship**

- Equity section of balance sheet, 715.03–.05
- Loans, 710.01

#### **Subsequent events**

- Accounting and financial reporting, 1010
  - • Going concern issues, 1010.05
  - • Type 1, 1010.01, 1020.13
  - • Type 2, 1010.02, 1020.23
- Checklist, App. C (REC-2e)
- Defined, 1005
- Introduction, 1000
- Period
  - • General requirements, 1015.01
  - • Inappropriate approach, 1015.04
  - • Practical approach, 1015.02
- Review engagements, 1020
  - • Documentation, 1020.07–.08
  - • GAAP reservations, 1020.13–.17, 1020.23–.24
  - • Reports, 1020.09–.24

- • Review procedures, 1020.05–.06
- • Risk-based review, 1020.03–.04
- • Scope reservations, 1020.18–.22

**The Standard**, 105.18, App. 1C

#### **Unaudited financial statements**, 110

- Comparison of audit, review and compilation, 110.05–.09
- Why, 110.02–.04

#### **Unincorporated entities**

- Changes in partnership interest, 720
  - • New partner, 720.03–.10
  - • Sale of interest, 720.17–.18
  - • Withdrawal or death, 720.11–.16
- Combined financial statements, 730
- Equity section of balance sheet, 715
  - • Partnerships, 715.06–.08
  - • Sole proprietorships, 715.03–.05
- Financial reporting and accounting, 705
  - • Limited liability partnerships, 705.06–.07
  - • Other bases of accounting, 705.08
  - • Review, 705.09
- General, 700
  - • Loans between partners/proprietors and entity, 710
  - • Owners' salaries and interest on capital, 710.05–.07
  - • Partnerships, 710.02–.04
  - • Sole proprietorships, 710.01
- Types of engagements, 740
- Reviews, 740.01–.02

#### **Withdrawal from engagement**

- Compilation engagements, 1415.43–.45
- Review engagements, 210.32–.35

#### **Working papers**, 400, 410, 1705

- Analytical procedures worksheet, App. B (REF-16)
- Compilation procedures, 1400
- Contents, 260.07
- Documenting use of analytical procedures, 260.10
- Documentation, 260
  - • Forecasts and projections
    - • • Contents of working paper file, 1535.03–.06
- Illustrative review, 410
- Introduction, 1700
- Materiality guideline worksheet, App. B (REF-6)
- Personal financial statements, 1630.09
  - • Preparer's worksheet, App. C (REC-9)
- Year end file, 290.11