

# peer review manual



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**NATIONAL ASSOCIATION OF STATE AUDITORS,  
COMPTROLLERS AND TREASURERS**

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## OVERVIEW

The National State Auditors Association's (NSAA) *Peer Review Manual* is compiled to provide the user with both an understanding of the external peer review process and with copies of the documents used in completing an external peer review.

For your convenience in using this manual, it is divided into the seven sections listed below:

Introduction to the NSAA External Peer Review Program	Section I
Policies and Procedures for the NSAA External Peer Review Program	Section II
Administrative Policies and Procedures for the NSAA External Peer Review Program	Section III
Forms Common to All Peer Reviews	Section IV
Documents for a Financial Audit External Peer Review	Section V
Documents for an Attestation Engagement External Peer Review	Section VI
Documents for a Performance Audit External Peer Review	Section VII
Questions and Answers for Team Members; Questions and Answers for Team Leaders and Concurring Reviewers; and Reporting Examples	Section VIII

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# Section I

Introduction to the NSAA External Peer Review Program

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January 2021



## ***NSAA External Peer Review Program***

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### ***Introduction***

Maintenance of an appropriate internal quality control system is an essential ingredient to the performance of effective audits that comply with professional standards. To help ensure the adequacy of and compliance with its internal quality control system, an audit organization participates in an external peer review program. External peer reviews are performed by similar or “peer” audit organizations. The NSAA External Peer Review Program is administered by the National Association of State Auditors, Comptrollers and Treasurers (NASACT).

Before 1989, NSAA external peer reviews were performed on a voluntary basis for those state audit organizations recognizing the benefits of such a review. Since 1989, external peer reviews have been required of all audit organizations conducting audits in accordance with generally accepted government auditing standards (GAGAS) as established by the United States Government Accountability Office (GAO) in *Government Auditing Standards* or the “Yellow Book” (hereafter referred to as “government auditing standards”). Accordingly, all state audit organizations performing audits or attestation engagements in accordance with government auditing standards must participate at least once every three years in an NSAA external peer review or an equivalent program. Similar requirements were also implemented in 1989 as a condition for certain types of membership in the American Institute of Certified Public Accountants (AICPA).

NSAA external peer reviews are conducted in accordance with policies and procedures developed by the NSAA Peer Review Committee and approved by NSAA members. These policies and procedures have been developed in order to provide detailed guidance in performing and reporting on external peer reviews. The AICPA has published copyrighted materials for its peer review program. NSAA has adapted pertinent portions of these publications with the permission of the AICPA.

Because of the diverse nature of NSAA member audit organizations and the differences in scope and objectives of financial audits, performance audits, and attestation engagements, these policies and procedures provide options for NSAA external peer reviews. These options include a review of the audit organization’s financial audit functions, performance audit functions or attestation engagement functions, or a combined review of all functions. Also, separate documents have been prepared to guide the reviews of the financial audit, attestation engagement, and performance audit functions.

Eligibility for participation in the NSAA External Peer Review Program is restricted to state audit organizations that meet the full membership criteria as defined in the Constitution and Bylaws of NSAA and that:

1. Perform financial audits, attestation engagements, or performance audits of government organizations (state and/or local),
2. Perform work according to government auditing standards,
3. Meet the tests of independence for external auditors prescribed by government auditing standards, and
4. Provide staff with appropriate experience to serve on other external peer reviews.

Other members of NASACT who participated in the NSAA Peer Review Program prior to July 1, 2000, and who meet requirements 1 through 4 enumerated above, are eligible to participate under previous eligibility requirements.

The cost of NSAA external peer reviews varies depending upon the size and functions of an audit organization. Costs include (1) an administrative fee of \$3,500 paid to NASACT for the administration and coordination of the program and (2) the travel and per diem expenses of those involved in the peer

review. In addition to the actual expenses paid, a state audit organization receiving an external peer review is required over a three-year period to furnish experienced, active supervisors and managers equal to the staff resources involved in its external peer review to participate in external peer reviews of other state audit organizations.

As NSAA external peer reviews are under the direction of the NSAA Peer Review Committee and are administered by NASACT, the responsibilities of both of these groups are detailed below.

### **NSAA Peer Review Committee**

The NSAA Peer Review Committee has the overall responsibility for the external peer review process involving state government audit organizations. Specific functions performed by the committee are:

1. Provide guidance in the form of policies and procedures for performing and reporting on external peer reviews. This process also involves the monitoring of new professional standards and ensuring that documents used in performing external peer reviews are current.
2. Resolve potential disputes that may arise in the review process and ensure the consistency of NSAA external peer reviews.
3. Coordinate with the AICPA, National and Regional Intergovernmental Audit Forums, and the various federal and local agencies to ensure the adequacy of the NSAA external peer review process.

### **National Association of State Auditors, Comptrollers and Treasurers**

NASACT is responsible for the day-to-day operation of the external peer review process under the auspices of the NSAA Peer Review Committee. NASACT has responsibility in three major areas:

1. Administration of the review process on a daily basis
2. Coordination and assignment of review teams
3. Training of review team members

An individual within NASACT has been designated as the Administrator and charged with the overall responsibility of performing these functions. This individual manages the daily conduct of the external peer review process in compliance with the policies and procedures established by the NSAA Peer Review Committee. Additional responsibilities include appropriate distribution of reports, storage and review of working papers, and administration of the financial payment procedures.

The Administrator is also responsible for the assignment of the review team members and coordination between the review team and the organizations to be reviewed. The training of the review team members is another essential function to be accomplished by the Administrator. Training of team members is a necessary prerequisite to the performance of effective reviews.

Another individual within NASACT has been designated as the Coordinator and assists in carrying out these functions. The Coordinator primarily assists in organization of the review team, coordination between the review team and the state audit organization, and establishment of the review team's travel arrangements.

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## Section II

Policies and Procedures for the NSAA External Peer Review Program

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December 2019



***Policies and Procedures***

This document sets forth the policies and procedures to be followed in the external peer review program established by the National State Auditors Association (NSAA). These policies and procedures have been developed by NSAA in order to provide detailed guidance in performing and reporting on external peer reviews.

Approved	11/4/85
Revised	08/87
Revised	10/89
Revised	06/91
Revised	02/92
Revised	11/92
Revised	02/94
Revised	04/94
Revised	08/95
Revised	06/01
Revised	06/04
Revised	06/06
Revised	02/09
Revised	05/13
Revised	08/13
Revised	12/15
Revised	08/16
Revised	12/19

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**Contents**

**Introduction** ..... 1  
    Administration of the External Peer Review Program..... 1  
    Policies Concerning Revision of External Peer Review Program Requirements ..... 2

**Objectives of the External Peer Review Program**..... 4

**General Considerations** ..... 5  
    Confidentiality..... 5  
    Independence ..... 5  
    Competence ..... 5

**Organization of the Review Team** ..... 7  
    Concurring Reviewer..... 8  
    Team Leader ..... 8  
    Team Member ..... 9

**Qualifications for the Review Team Members** ..... 10  
    Team Member ..... 10  
    Team Leader ..... 10  
    Concurring Reviewer..... 10  
    Other Issues ..... 10

**Performing External Peer Reviews** ..... 12  
    Preliminary Phase ..... 12  
        Obtaining an Understanding of the Program ..... 12  
        Obtaining and Reviewing State Audit Organization Information..... 13  
        Conducting a Preliminary Site Visit..... 13  
        Determining the Scope of the Review..... 14  
        Sending the Audit Staff Questionnaire..... 14  
        Selecting Engagements ..... 15  
        Finalizing the Planning of the Review ..... 16  
        Early Arrival..... 17  
    Field Work Phase ..... 17  
        Completing the Study and Evaluation of the Quality Control  
            Policies and Procedures ..... 19  
        Reviewing Audit or Attestation Engagements..... 19  
        Identifying Matters, Findings, Deficiencies, and Significant Deficiencies ..... 20  
        Aggregating and Systematically Evaluating Matters..... 21  
        Forming Conclusions on the Type of Report to Issue..... 23  
        Other Issues..... 25  
        Reporting Matrix—General Guidance for Reporting Considerations..... 26  
        Disagreement Within Review Teams..... 27  
        Communicating Conclusions at the Exit Conference..... 27  
        Disagreement Between the Review Team and the State Audit Organization  
            Regarding the Type of Peer Review Report..... 28  
        Engagements Discontinued Before Completion ..... 28  
    Completion Phase ..... 28  
        Preparing the Peer Review Report ..... 29  
        Audit Organization’s Response to the Peer Review Report ..... 30

**Finalizing External Peer Reviews** ..... 31  
    Review Team Working Papers ..... 31  
        Storage and Retention of Working Papers ..... 31  
        Access to Working Papers ..... 32

Contents (cont.)

**Exhibits**

A Standard Reporting Formats

- A-1 Peer Review Report with a Rating of *Pass* ..... 33
- A-2 Peer Review Report with a Rating of *Pass (With a Scope Limitation)* ..... 34
- A-3 Peer Review Report with a Rating of *Pass with Deficiencies* ..... 34
- A-4 Peer Review Report with a Rating of *Pass with Deficiencies (With a Scope Limitation)* ..... 35
- A-5 Peer Review Report with a Rating of *Fail*..... 35
- A-6 Peer Review Report with a Rating of *Fail (With a Scope Limitation)* ..... 36

B Audit Organization Response ..... 37

### ***Introduction***

NSAA has established policies and procedures for performing and reporting on external peer reviews of state audit organizations. These policies and procedures constitute generally accepted rules which govern the NSAA External Peer Review Program and provide specific guidelines and instructions to help ensure the external peer review process is accomplished fairly and consistently. The policies and procedures developed by NSAA are contained in this document.

The purpose of an audit organization's consideration of the elements of quality control and adoption of quality control policies and procedures is to provide the organization with reasonable assurance of conformance with applicable professional standards (AICPA standards and the GAO's *Government Auditing Standards*, as applicable) in the conduct of its functions.

The quality control policies and procedures adopted by a state audit organization will vary based on the audit organization's circumstances, such as the audit organization's size, number of offices and geographic dispersion, the knowledge and experience of its personnel, the nature and complexity of its audit work, and cost-benefit considerations.

The state audit organization requesting the review is required to make available to the external peer review team (the "review" team) the documented quality control policies and procedures incorporated in its quality control system. The state audit organization fulfills this requirement by completing the Audit Organization Questionnaire and the applicable sections of the relevant Audit Organization's Policies and Procedures and Review Guides and providing all supporting documentation to the review team.

The policies and procedures encompassed in this section are applicable to review teams and to individual review team members who perform or are involved in performing external peer reviews of state audit organizations, and to the state audit organization being reviewed.

**To facilitate the timely completion of an external peer review and to minimize the cost, the review team shall accomplish as much of the review work as possible before the field work phase begins.** In addition, the state audit organization being reviewed is expected to assist the review team by providing information needed for the review on a timely basis.

### **ADMINISTRATION OF THE EXTERNAL PEER REVIEW PROGRAM**

NASACT designates an Administrator responsible for the general administration of the external peer review program conducted under the auspices of NSAA. Another individual within NASACT, the Coordinator, assists the Administrator in carrying out the responsibilities of the program. Collectively, these individuals are referred to for purposes of this manual as "NASACT staff." Detailed responsibilities of both the Administrator and the Coordinator are described below. NASACT staff work primarily in conjunction with the Chair of the NSAA Peer Review Committee. Any questions concerning the content of this document used in the NSAA External Peer Review Program should be addressed to the Administrator or the Chair of the NSAA Peer Review Committee.

The primary responsibilities of the Administrator are in the following areas:

- Administration of the review process on a daily basis
- Coordination and assignment of review teams
- Training of review team members

More specifically, duties performed by the Administrator include:

- Review external peer review contract
- Review/approve billings to reviewed state audit organizations
- Maintain necessary records and supporting documentation
- Review/approve reimbursement of team members' expenses
- Review financial statements for the NSAA External Peer Review Program

- Maintain current NSAA documents used in the external peer review program--policies and procedures, documents for external peer reviews of financial audits, attestation engagements, and performance audits, etc.
- Assist in the preparation of revisions to NSAA documents as requested
- Review/approve the assignment of review team members
- Provide technical assistance and training to review team members, as required
- Perform a quality review of reports and working papers to ensure that external peer reviews have been performed in accordance with the policies and procedures of the NSAA External Peer Review Program. Based on these reviews, make appropriate recommendations to the Committee.
- Prepare a "permanent file" for each audit organization reviewed

Specific duties performed by the Coordinator include:

- Develop/execute the external peer review contract
- Prepare billings to reviewed state audit organizations
- Reimburse team members' expenses
- Prepare financial statements for the NSAA External Peer Review Program
- Store working papers (see policy on storage and retention of review team working papers on page II-31)
- Control working papers and files
- Prepare and maintain external peer review schedules and listings of potential team members
- Assign review team members
- Coordinate between the review team and the state audit organization being reviewed
- Plan and coordinate review team travel arrangements
- Maintain the external peer review "bank"

To help meet these duties and responsibilities, NASACT staff should develop and maintain formal administrative procedures. These procedures should be approved by the Peer Review Committee and the appropriate NASACT management personnel. Refer to Section III of the Peer Review Manual for discussion of administrative issues.

## **POLICIES CONCERNING REVISION OF EXTERNAL PEER REVIEW PROGRAM REQUIREMENTS**

Circumstances may arise indicating a need to revise the external peer review program requirements which have been previously approved. The following exhibit provides guidelines to be used in any attempt to revise such requirements.

Requirement Established By:	Mechanism:
Introduction (Section I)	<ul style="list-style-type: none"> <li>- Submission of draft document as a discussion memorandum to NSAA membership for comment</li> <li>- Submission of exposure draft to NSAA membership for comment after due consideration of responses received on the discussion memorandum</li> <li>- Approval of final document by a majority of NSAA members</li> </ul>
Policies and Procedures for the External Peer Review Program (Section II)	<ul style="list-style-type: none"> <li>- Same as above for Introduction.</li> </ul>
Administrative Procedures (NASACT) (Section III)	<ul style="list-style-type: none"> <li>- Submission of suggested changes to the Peer Review Committee and NASACT staff (as appropriate) for comment and approval</li> </ul>
Forms Common to All Peer Reviews (Section IV)	<ul style="list-style-type: none"> <li>- Submission of suggested changes to previous team leaders and concurring reviewers (sample basis) for comment</li> <li>- Approval of revisions by the Peer Review Committee based upon comments received</li> </ul>
Documents for Financial Audits, Attestation Engagements, or Performance Audits (Sections V, VI and VII)	<ul style="list-style-type: none"> <li>- Submission of suggested changes to previous team leaders and concurring reviewers (sample basis) for comment</li> <li>- Approval of revisions by the Peer Review Committee based upon comments received</li> </ul>
Questions and Answers for Team Members; Questions and Answers for Team Leaders and Concurring Reviewers; Reporting Examples (Section VIII)	<ul style="list-style-type: none"> <li>- Same as above for Documents for Financial Audits, Attestation Engagements, or Performance Audits/ Standard Work Program.</li> </ul>

Attempts to establish revisions in external peer review program requirements should be handled by the Administrator under the direction of the Peer Review Committee Chair.

**Objectives of the External Peer Review Program**

NSAA has recognized that an external peer review process is an important element in the performance of quality audits and attestation engagements. External peer reviews provide a unique opportunity for the maintenance and improvement of the quality of audit and attest work performed as well as the confidence of the general public in the auditing profession. The primary purpose of the NSAA External Peer Review Program is to provide a service to its membership. The program enables a state audit organization to obtain an independent assessment of whether or not its system of quality control is adequate to ensure compliance with applicable professional standards.

External peer reviews are intended to evaluate whether a state audit organization's system of quality control is (1) suitably designed for the state audit organization, including adequately documented and communicated, and (2) being complied with in order to provide the state audit organization with reasonable assurance of conforming with applicable professional standards.

This assessment or evaluation is accomplished by:

1. Studying and evaluating the state audit organization's quality control system.
2. Reviewing compliance with the state audit organization's quality control policies and procedures by reviewing selected engagement audit documentation and reports.

Upon completion of a peer review, the review team communicates the results of the peer review to the state audit organization and prepares a written peer review report in accordance with the policies and procedures included in this section.

The peer review team uses professional judgment in deciding the type of peer review report to issue. The following are the types of peer review reports:

- a. **Pass:** A conclusion that the audit organization's system of quality control has been suitably designed and complied with to provide the audit organization with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects.
- b. **Pass with Deficiencies:** A conclusion that the audit organization's system of quality control has been suitably designed and complied with to provide the audit organization with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects with the exception of a certain deficiency or deficiencies that are described in the report.
- c. **Fail:** A conclusion, based on the significant deficiencies that are described in the report, that the audit organization's system of quality control is not suitably designed to provide the audit organization with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects, or the audit organization has not complied with its system of quality control to provide the audit organization with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects.

**General Considerations**

**CONFIDENTIALITY**

Two confidentiality issues should be considered in NSAA external peer reviews. First, the state audit organization's responsibility to comply with applicable requirements concerning the confidentiality of any office records or documents and any auditee information which will be made available during the course of the review should be recognized. Each state audit organization should assess its responsibility in this area. Consultation with legal counsel may be advisable in some circumstances. State audit organizations being reviewed may request certain actions on the part of the peer review team members, such as signing a confidentiality agreement or undergoing a background check, in order to participate on a peer review.

Second, external peer reviews should be conducted with adherence to strict confidentiality of any information obtained during the course of the review. The review team, the NSAA Peer Review Committee, and the NASACT staff should not disclose any information concerning the reviewed state audit organization or any of its auditees, without authorization from the head of the state audit organization or his/her designee.

The peer review report is to be distributed to the reviewed state audit organization. Other than the state audit organization's requirement under GAO 3.105, to make the report publicly available, any further distribution is at the discretion of the reviewed state audit organization. However, a copy of the peer review report should be retained in the working papers. Team members, if they wish, may retain a copy of the peer review report for their own information.

Access to working papers of the review team, and specific policies and procedures concerning the storage and retention of the working papers, is discussed on page II-31.

**INDEPENDENCE**

Review team members and any specialists who participate in any segment of the review must maintain their independence with respect to the state audit organization being reviewed, its staff, and the audits selected for peer review. The concepts pertaining to independence contained in professional auditing standards are applicable to the performance of external peer reviews. Review team members and any specialists should assume that their actions would be the same as in an audit situation.

The nature of any relationships between potential reviewers and the reviewed state audit organization should be considered before the assignments of team members are finalized. For example, the independence of a potential reviewer should be questioned when the existence of personal or professional relationships might impair independence.

In order to document their independence, all review team members--the team leader, individual team members, the concurring reviewer, and any specialists--should sign a statement of independence. The statement of independence should be completed before the finalization of the review team. A standard form for this statement will be provided by NASACT staff for distribution to each review team member. The signed statements are returned to NASACT staff and then sent to the team leader for inclusion in the working papers.

**COMPETENCE**

Review teams assigned to perform peer reviews must be composed of individuals who have the necessary knowledge and proficiency to perform such reviews. The types of engagements to be reviewed (financial audits, attestation engagements, or performance audits) and the nature of the audited entities (e.g., cities, townships, state departments and agencies, housing authorities, colleges and universities, counties, etc.) should be considered. Expertise in specialized areas must also be provided, as required.

The Administrator, the review team leader, and the concurring reviewer are responsible for ensuring that the review team, as a whole, is competent to perform the review. The Administrator will also seek input from the state audit organization on the composition of the team and the qualifications of the team members.

In planning the review to provide the “best match” in terms of team experience, NASACT staff should determine from the state audit organization those states it believes are “peers” in terms of similar characteristics of the various types of work performed. This determination is accomplished in planning the review by using the External Peer Review Planning Sheet. NASACT staff will attempt to select the team members from these “peer” states. If the state audit organization being reviewed believes that a potential team member comes from a state audit organization that does not have similar audit experience, the reviewed organization can request that NASACT staff select an individual from another state audit organization with more similar experience.

A discussion concerning the qualifications of individual team members is presented on pages II-10 - II-11.

**Organization of the Review Team**

NASACT staff appoint review teams. Review teams are composed primarily of state auditors and, where appropriate, are complemented by federal auditors and any other qualified reviewers as needed. Specialists may serve on review teams depending upon the need for expertise in specific areas. If requested by the state organization being reviewed, federal auditors should be assigned from the state's cognizant agency. The primary role of the federal auditor on a peer review team is to review the state audit organization's Single Audit working papers and report(s). Specific responsibilities for review team members are described on page II-9.

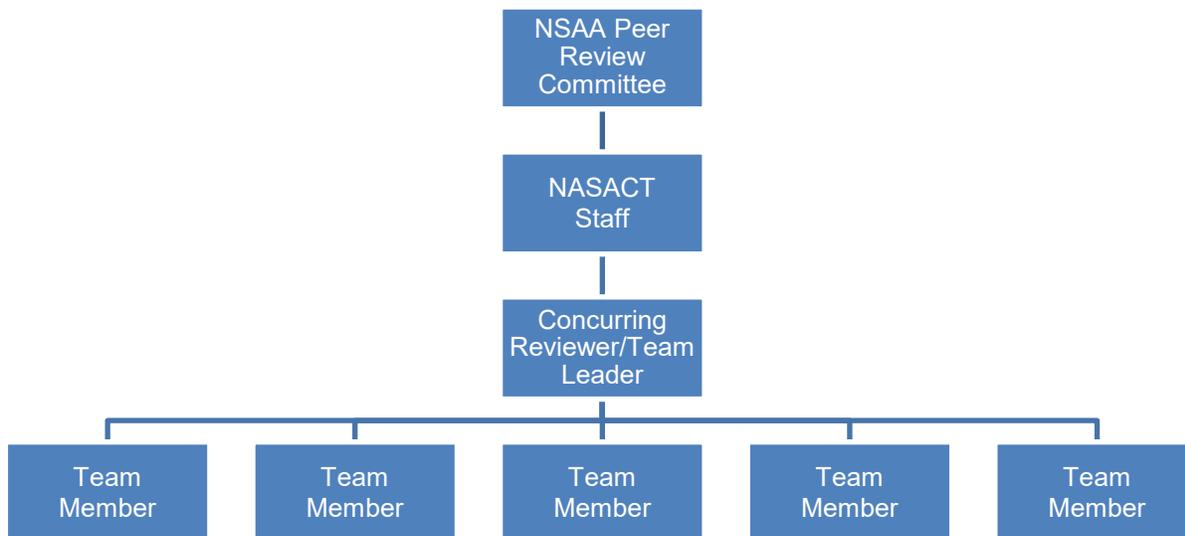
A team leader and a concurring reviewer head the review team. The team leader directs the organization and daily conduct of the review, supervises the other team members, and is jointly responsible with the concurring reviewer for the preparation of the peer review report. Responsibilities of the team leader are discussed in further detail on page II-8.

A concurring reviewer is appointed to participate in planning the review, to evaluate the findings of the review team, to report the results of the review, and to ensure consistency with the policies and procedures of NSAA's External Peer Review Program. Additional responsibilities are discussed on page II-8.

As previously noted, state audit organizations reviewed under the NSAA External Peer Review Program have a commitment to provide staff members for the external peer reviews of other states over a three-year period. The reviewed state audit organization should furnish staff members commensurate with the staff resources required to perform its review. This participation is essential for the continuity of the external peer review program.

The review team operates within the organizational structure presented below.

**ORGANIZATIONAL STRUCTURE**



## **CONCURRING REVIEWER**

The concurring reviewer is the most senior review position for the review team. Concurring reviewers are essential to the peer review process and are selected based upon having significant education, training, and previous experience conducting external peer reviews. Accordingly, the concurring reviewer is an integral member of the team.

The concurring reviewer should be appointed at the same time or as soon as possible after the selection of the review team leader in order to provide immediate assistance. The concurring reviewer and the team leader should reach a mutual agreement as to the length of time that the concurring reviewer will be on site at the offices of the state audit organization being reviewed.

The concurring reviewer is responsible for assisting the team leader and the review team members during the planning and performance of the review. This individual is also responsible for working with the team leader to finalize the peer review report. In addition, the concurring reviewer is responsible for ultimately ensuring that the review has been performed in accordance with the policies and procedures established by NSAA. Specific functions of the concurring reviewer include:

1. Assist the team leader in coordinating and planning the review, including ensuring the adequacy of the review team. If a preliminary site visit is warranted, the concurring reviewer generally will not accompany the team leader on the preliminary visit unless circumstances warrant his/her attendance. The team leader and concurring reviewer will consider the circumstances of the engagement and make this determination.
2. Assist the team leader and review team members concerning any problems arising during the course of the review.
3. Consult with the Administrator and the Peer Review Committee Chair as needed.
4. Review the team's working papers, including the appropriateness of the disposition of matters noted during the peer review.
5. Review the draft finding for further consideration forms (FFC form), if applicable, and the draft peer review report.
6. Attend and participate in the exit conference with the review team. Ensure the exit conference is appropriately documented in the working papers.
7. Assist the team leader in the finalization of the FFC forms, if applicable, and the peer review report, including signing both, if applicable.
8. Consult with the team leader and recommend to NASACT staff on whether each review team member should participate in future reviews as a team leader or as a team member. A recommendation can also be made for no participation on future review teams. The concurring reviewer should also recommend to NASACT staff on whether the team leader should participate on another review, either as a team member, a team leader, or a concurring reviewer. A recommendation can also be made that the team leader not serve on a future review team.

## **TEAM LEADER**

A team leader is charged with the joint responsibility, along with the concurring reviewer, for the overall planning and performance of the peer review including the peer review report. The primary responsibilities of a team leader include:

1. Coordinate all aspects of the review with the state audit organization and NASACT.
2. Establish the scope of the review and assess the scheduled timeframe for the review. In conjunction with the Administrator, determine the team size needed to complete the review timely.
3. Review the prior report(s) and working papers, if applicable.
4. Organize the review and ensure the timely completion of the work.
5. Determine team assignments and assist team members, as required.
6. Instruct team members concerning the manner in which working papers are to be prepared.
7. Review work performed by team members (e.g., completed sections in the Audit Organization's Policies and Procedures and Review Guide, completed Guides for Review of Audit/Attest Engagements, and documentation of matters identified during the peer review) and ensure compliance with the policies and procedures established by NSAA.

8. Consult with the concurring reviewer, the Administrator, and the Peer Review Committee Chair (especially relating to any problems which may arise during the review).
9. Lead the entrance and exit conferences with the reviewed state audit organization.
10. Discuss with team members and reach decisions on whether each matter identified during the peer review is a matter, finding, deficiency, or significant deficiency.
11. Finalize the FFC forms and peer review report, including, if applicable, appropriate consideration of the responses received from the reviewed state audit organization.
12. Consult with the concurring reviewer and provide a recommendation for each team member to NASACT staff for participation on future review teams. See item 8 describing the concurring reviewer's responsibilities.
13. Complete the "Bank Credit Computation Form" and send to NASACT staff.

## **TEAM MEMBER**

Team members are responsible for performing the tasks assigned by the team leader. These tasks generally include:

1. Read NSAA's Policies and Procedures for the External Peer Review Program.
2. Complete the appropriate section(s) of the Audit Organization's Policies and Procedures and Review Guide.
3. Attend the entrance conference.
4. Actively participate in team meetings.
5. Review engagements using the Guide for Review of Audit/Attest Engagements.
6. Consult with personnel of the state audit organization, as needed, in order to fulfill assigned tasks.
7. Inform the team leader of the status of assignments and the nature of any problems which may arise.
8. Assist other team members, as needed.
9. Document any matters noted during the peer review.
10. Participate in team discussions to determine whether each matter noted during the peer review is a matter, finding, deficiency, or significant deficiency.
11. Write assigned sections of the peer review report.
12. Attend the exit conference.
13. Provide any necessary input to the team leader in order to finalize the peer review report.

## **Qualifications for the Review Team Members**

The nature and complexity of an external peer review requires the exercise of professional judgment. The review team members assigned to conduct the external peer review should possess the necessary knowledge and professional proficiency to perform the review. NASACT staff should select only those individuals meeting the qualification requirements approved by NSAA for serving on review teams.

For reviews of financial audits or attestation engagements, individuals serving as team members shall be a CPA or the equivalent and possess current knowledge of governmental accounting and auditing matters. "Equivalent" is defined in this context as having sufficient training and experience to perform tasks similar to a CPA's tasks. The determination of the "equivalent" status will be made by NASACT staff, in conjunction with the team leader and concurring reviewer, considering the specific tasks to be performed by the team member in the review.

For reviews of performance audits, individual team members shall possess an undergraduate or graduate degree in such areas as public or business administration, social or actuarial sciences, accounting, economics, statistics, law, industrial engineering, and the like, and should have current knowledge of methods and techniques applicable to performance auditing or program evaluation.

### **TEAM MEMBER**

To be able to participate as a team member, an individual should be recommended by his or her audit organization head. Only experienced supervisory or managerial staff who have supervised engagements and reviewed audit documentation as part of their job responsibilities should be assigned to participate on a review. Further, a person must have been in a responsible supervisory capacity for a minimum of three years. Finally, a person must have similar audit experience as the state being reviewed.

### **TEAM LEADER**

To be eligible to participate as a team leader, a person must have served as a team member on at least one review under NSAA's External Peer Review Program; two reviews are preferable. The person also must have been recommended to be a team leader by his or her former team leader(s) and concurring reviewer(s).

### **CONCURRING REVIEWER**

To be eligible to participate as a concurring reviewer, a person must have served as a team leader on at least one review under NSAA's External Peer Review Program; two reviews are preferable. In addition, the person must have been recommended to be a concurring reviewer by his or her former concurring reviewer(s).

### **OTHER ISSUES**

In situations where required by the nature of the reviewed state audit organization, individuals (consultants) with expertise in specialized areas who need not be a CPA may be used. For example, information technology specialists, statistical sampling specialists, actuaries, or educators with expertise in professional development may participate in certain segments of the review.

After a preliminary visit (if warranted) or discussions with the state audit organization and each team member assigned to the review, the team leader and the concurring reviewer should assess the adequacy and experience of the individual team members as well as the composition of the review team as a whole. The team leader, the concurring reviewer, and NASACT staff should make every effort to ensure that the experience of the review team, as a whole, **matches** the types of engagements performed by the state audit organization being reviewed. NASACT staff should work with the team leader and the concurring reviewer to make the necessary substitutions or acquire additional expertise in order to ensure an appropriate match.

All team members should complete a statement to document their qualifications for performing the peer review. This statement is also confirmed by the head of the team member's state audit organization. A standard form (Team Member Qualifications Sheet) is provided by NASACT staff for this purpose. These forms should be completed by team members before the review begins and retained in the working papers.

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## **Performing External Peer Reviews**

External peer reviews of state audit organizations performed under the direction of NSAA are generally divided into three stages. These three stages are as follows:

1. Preliminary phase (including preliminary site visit, if applicable)
2. Field work phase
3. Completion phase (finalization of the peer review report)

In conducting an external peer review, the review team is required to perform and document the review using the following standard documents and associated folder structure (located in Section IV) developed by the Peer Review Committee:

1. Standard Work Program (Section IV)
2. Audit Organization Questionnaire (Section IV)
3. Audit Staff Questionnaire (Section IV)
4. Audit Organization's Policies and Procedures and Review Guide(s) (as applicable based on engagement type) (Sections V, VI, and VII)
5. Guide(s) for Review of Audit Engagements and relevant appendices (as applicable based on engagement type) (Sections V, VI, and VII)
6. Matters for Further Consideration (MFC) (Section IV)
7. Findings for Further Consideration (FFC) (Section IV)
8. Conclusions (as applicable based on engagement type) (Sections V, VI, and VII)

Section IV contains forms common to all peer reviews, including a peer review workpaper index that should be used by the peer review team to file the workpapers. Contained within this workpaper index are various template workpapers to assist the review team in documenting procedures described in the Standard Work Program. These templates are optional and may be modified or substituted for other documentation according to the review team's needs and preferences.

### **PRELIMINARY PHASE**

The preliminary phase of a peer review is concerned with those preparations that must be accomplished before the review team begins field work at the offices of the state audit organization. These initial preparations are essential in order to facilitate the performance of the external peer review on a timely basis. The major aspects of the preliminary phase are as follows:

- Obtaining an understanding of the NSAA External Peer Review Program
- Obtaining and reviewing the necessary information concerning the state audit organization to be reviewed
- Conducting a preliminary site visit to the state audit organization, if considered necessary
- Determining the scope of the review
- Sending the audit staff questionnaire
- Selecting engagements
- Finalizing the planning of the review
- Early arrival

#### ***Obtaining an Understanding of the Program***

After being selected for participation on a peer review team, each team member is responsible for obtaining an understanding of the program using the NSAA External Peer Review Manual and the Questions and Answers for All Team Members guides. In addition, the team members discuss various administrative matters, such as travel arrangements, with the Peer Review Coordinator.

## **Obtaining and Reviewing State Audit Organization Information**

The team leader should obtain a copy of and review the completed “external peer review planning sheet” from the peer review coordinator. The team leader should contact the state audit organization to obtain information necessary to provide an understanding of the state audit organization and to plan the review. The state audit organization should be requested to prepare the Audit Organization Questionnaire and the organization’s portion of the Audit Organization’s Policies and Procedures and Review Guide.

The Audit Organization Questionnaire is intended to provide the review team with necessary background information concerning the state audit organization to be reviewed. The responses of the state audit organization to the questions in this questionnaire should facilitate the planning phase of the peer review.

Examples of information requested in the questionnaire include the following:

- Official mission
- Duties and responsibilities
- Organizational structure
- Staff positions and qualifications of audit personnel
- Nature of engagements performed
- Details regarding engagements completed

The Audit Organization's Policies and Procedures and Review Guide is designed to obtain information from the state audit organization about its quality control policies and procedures. The state audit organization identifies the policies and procedures in place to help ensure that it complies with applicable professional standards in all material respects. This includes noting if the policies and procedures have substantially changed since the previous peer review. Later, the review team will conduct a risk-based review of these specific policies, procedures, or documents as part of its assessment of whether they are suitably designed (including adequately documented and communicated) for the audit organization.

## **Conducting a Preliminary Site Visit**

A preliminary visit to the office of the state audit organization by the team leader can be an important aspect of the preliminary phase. The visit is held to discuss the upcoming review with the appropriate audit personnel and to obtain the necessary information for the review team. However, as discussed below, a preliminary site visit may not be needed in every instance. For state audit organizations being reviewed under the NSAA External Peer Review Program for the first time, a preliminary visit should be considered. In addition, when the prior peer review rating was *pass with deficiencies* or *fail* (previously modified or adverse) or major changes have occurred in the organization (e.g., new types of audits or new organizational structure), a preliminary visit should be considered.

When previous reviews resulted in a peer review rating of *pass* (previously unmodified) or no significant changes have occurred within the organization, the preliminary visit is generally not necessary. Procedures that are typically performed on site during the preliminary visit can be handled through the mail, fax, email, or telephone.

In all instances, a preliminary site visit will be allowed if it is requested by the state audit organization or if it is deemed appropriate by the team leader and concurring reviewer. If it is determined that a preliminary site visit is needed (or requested), the concurring reviewer will generally not accompany the team leader on the preliminary visit unless circumstances warrant his or her attendance. Again, the team leader and concurring reviewer will consider the circumstances of the engagement and make this determination.

The primary issues to be covered during the preliminary visit include determining the scope of the review, distributing the Audit Staff Questionnaire, and selecting the audits or attestation engagements to be reviewed. Other aspects include determining working arrangements, such as the availability of computers, workspace, and support staff assistance. Also, in order to become familiar with issues from prior reviews, the team leader should review the prior working papers and permanent file for the state audit organization.

### ***Determining the Scope of the Review***

The scope of the review should cover the state audit organization's compliance with applicable professional standards for the engagements that it conducts. The review does not verify the state audit organization's compliance with the state's statutes related to the audit organization, which is outside the scope of an NSAA external peer review, or evaluate the efficiency with which a state audit organization carries out its responsibilities. It will also generally not include the administrative aspects of the state audit organization. However, administrative policies and practices of the state audit organization are to be reviewed where they have a direct relationship to the satisfaction of relevant professional standards and quality control considerations.

The financial audit, attestation engagement, and performance audit external peer review documents have been designed with the assumption that government auditing standards are followed by the state audit organization. All engagements the organization has stated to have been performed in accordance with government auditing standards are subject to the external peer review. However, if an organization desires a review of its engagements performed in accordance with generally accepted auditing standards (GAAS) only, such a review may also be performed. The review team and the state audit organization must mutually agree upon the scope of the review to be performed. Any changes that would limit the scope of the review should be discussed during the preliminary phase. The review team leader should consult with the concurring reviewer, Peer Review Committee Chair, and the Administrator in such a situation. A scope limitation should also be appropriately addressed in the review team's peer review report. The reporting considerations for scope limitations are discussed on pages II-25 and II-34 - II-36.

A state audit organization may choose to have an external peer review conducted for only its financial audit function, attestation engagement function, or its performance audit function. Such a decision is not considered a scope limitation. If the state audit organization wants separate evaluations and reports for its financial audit, attestation engagement, and performance audit functions, such arrangements can be made but the state audit organization will be considered as having separate external peer reviews and will be charged an administrative fee for each review. The scope and the opinion paragraphs of the peer review report should clearly identify the types of audits and/or engagements covered by the peer review.

A state audit organization may have legitimate reasons for not permitting the audit documentation for certain engagements to be reviewed. For example, the financial statements of an engagement may be subject to litigation or investigation. The review team should satisfy itself as to the reasonableness of the explanation. If the team is not satisfied, the matter should be reported to the head of the state audit organization and the review team should consider what other actions may be appropriate in the circumstances. If few engagements are excluded from the review process and the review team is able to conclude, by reviewing engagements of a similar function or area and by reviewing other work of the supervisory personnel connected with the excluded engagements, that the engagements do not significantly affect the review coverage, the review team may then conclude that the scope of the review had not been unduly restricted.

External peer reviews should cover a current period of one year to be mutually agreed upon by the reviewed organization and the review team. The scope of the review should encompass the quality control policies and procedures in effect and compliance therewith for the year under review. Engagements subject to selection for review should be those for which (1) reports were issued during the year under review or (2) the audit work was substantially completed and the report issued immediately after the end of the year under review. Periods of less than one year may be used in unusual cases if the shorter period of time is justifiable. Likewise, periods of greater than one year may be used if circumstances warrant.

### ***Sending the Audit Staff Questionnaire***

The purpose of this questionnaire is to solicit the views of audit staff personnel on various policy and procedural matters employed by the state audit organization. Staff questionnaires are used as indicators of design matters in a system of quality control. However, they are not definitive tests and should not be the sole basis for a finding.

The audit staff questionnaire should be distributed via electronic survey software:

- NASACT staff will provide a link to the electronic audit staff questionnaire to the team leader.
- An email from the audit organization head should precede the distribution of the questionnaire to the audit staff. (See manual Section IV)
- If the organization has a large staff, the team leader should decide whether to survey all or a representative sample of staff members. Consultation with the concurring reviewer may be desirable in these circumstances.
- The team leader will distribute the link to the electronic questionnaire to selected audit staff.
- Individual questionnaire responses are considered confidential. Summary results and information may be shared with the audit organization at the team leader's discretion, but care should be taken not to compromise the confidentiality of individual responses or comments.

Team leaders may administer the audit staff questionnaire using other methods upon approval of the Peer Review Coordinator.

### **Selecting Engagements**

The team leader, in consultation with the concurring reviewer, should perform an assessment of peer review risk to help determine the number and types of audits to select for review from the list of all audits for the review period. Selecting engagements for review requires professional judgment. Based on various risk factors, the review team should reassess the extent of audits to be reviewed based on the current understanding of the state audit organization and its system of quality control. This risk assessment could lead to an increase, a decrease, or no change in the extent of engagements reviewed compared with the preceding peer review. Some factors that should be considered include the following:

- Scope of the audits including size of the audited entity or audits covering multiple locations
- Functional area or type of government program
- Types of audits provided, including the extent of nonaudit services provided to audited entities
- Personnel (including use of new personnel or personnel not routinely assigned the types of audit provided)
- Initial audits
- Familiarity resulting from a longstanding relationship with the audited entity
- Political sensitivity of the audits
- Budget constraints for the audit organization
- Results of the peer review team's review of the design of the system of quality control
- Results of the audit organization's monitoring process
- Risk sensitivity of the audit organization
- Results of the audit organization's last external peer review

To provide a reasonable level of assurance concerning the audit organization's adherence to its quality control policies and procedures and to applicable professional standards, the review team should attempt to select GAGAS audits that provide a reasonable cross-section of the GAGAS audits included within the scope of the review. Some audit organizations conduct audit and attest work in a number of functional areas. For example, an organization may conduct financial audits, attestation engagements, and performance audits. The review team should consider reviewing engagements from the major functional areas included within the scope of the review.

Selecting engagements at the audit manager level (or the equivalent position) also should be considered. Personnel at the audit manager level generally are responsible for the final review of the audit documentation and for ensuring that the engagement adhered to the organization's policies and procedures and applicable professional standards. Other considerations could include such things as the manager's span of control (i.e., the number and type of auditees or the percentage of an organization's total audit hours assigned to the manager).

If the audit organization performs the audit of the statewide CAFR and/or single audit, these audits should be included in the sample of engagements selected for review.

The results of the previous external peer review also should be considered. If the audit organization received a peer review rating of *pass with deficiencies* or *fail* (previously *modified* or *adverse*), the team leader and concurring reviewer should consider expanding the extent of work performed beyond what normally would be reviewed. Also, during the current review, the team leader should consider having team members place additional emphasis on findings, deficiencies, or significant deficiencies identified in the previous review. In all cases, the review team should evaluate the actions the audit organization has taken in response to findings, deficiencies, and significant deficiencies noted in the previous peer review. Conversely, reductions in the extent of engagements to be reviewed may be appropriate if the audit organization received a peer review rating of *pass* (previously *unmodified*) during the preceding external peer review, and there has been no significant change in the audit standards followed or audit organization's policies and procedures.

The number of engagements selected and the percentage of audit hours to be reviewed are contingent upon the factors listed above, among others, and are left entirely to the professional judgment of the review team. The importance of professional judgment in the selection of engagements cannot be overemphasized. In addition to the engagements selected during the preliminary phase, the review team leader should add at least one additional engagement after arriving on-site.

The team leader should also confirm with the state audit organization that all publications cited in applicable peer review checklists and the organization's quality control materials will be available for the team's review.

### ***Finalizing the Planning of the Review***

After determining the scope of the review and selecting the engagements, the team leader and the concurring reviewer, with the assistance of the Coordinator, should assess the appropriateness of the length of the review and determine the size and composition of the team. After the Coordinator selects prospective team members, the team leader and concurring reviewer should assess the adequacy and experience of those selected to help ensure that the team, as a whole, has the necessary expertise. The Coordinator should also seek input from the state audit organization on the composition of the team and the qualifications of the team members. The Coordinator should be contacted if any additions, deletions, or substitutions are necessary.

The team leader should also prepare an engagement letter. The engagement letter documents the agreement between the review team and the state audit organization concerning the work to be performed and the responsibilities to be assumed by both parties. The purpose of the engagement letter is to avoid any potential misunderstanding at a later date. An example of an engagement letter is included in Section IV of the Manual.

In addition to the preparation of an engagement letter, the terms and conditions for providing the external peer review should be documented in a formal contract between NASACT and the state audit organization. The contract should be executed before finalizing the preliminary phase. A copy of the executed contract should be provided to the review team leader in addition to the contracting parties. Information concerning the contractual agreement is contained in Section III of this manual.

The team leader also makes arrangements with the state audit organization to provide the following to each team member before the field work begins:

- Audit organization's policies and procedures manual(s)
- Completed Audit Organization Questionnaire (including list of staff names, email addresses, and positions)
- Audit Organization's Policies and Procedures and Review Guide
- Reports for the engagements selected for review

The team leader then contacts the team members to inform them of their responsibilities and the work to be completed before on-site work begins. One of those responsibilities is to review the state audit organization's policies and procedures manual(s) and to evaluate the adequacy of the quality control system relative to the answers provided on the Audit Organization's Policies and Procedures and Review Guide. In this document, the audit organization has been asked to reference its quality control policies and procedures, or the documents in which they can be found. The organization has also been asked to briefly

describe how compliance with these policies and procedures is assured if not clearly explained by the referenced document. In addition, the organization is asked to note if the policies and procedures have substantially changed since the organization's last peer review. This information can give the external peer reviewer a better understanding of how the organization operates.

The team leader will consider information from the Agency Questionnaire, Audit Organization's Policies and Procedures and Review Guide, and other planning steps to assess the risk that policies and procedures may not be suitably designed or documented. Based on the risk assessment, the team leader will use his or her judgment to make a risk-based selection of Audit Organization's Policies and Procedures and Review Guide questions that the team will confirm by tracing to the referenced policy and procedures.

The team leader assigns selected questions to each team member to examine based on logical groupings, team member expertise or other factors. The results of the team members' assessments of the policies and procedures should be provided to the team leader who will then summarize the work and report the results back to the review team, along with the results of the team leader's analysis of the Audit Staff Questionnaire responses. To the extent practical, these tasks should be performed before the start of field work.

Finally, the team leader arranges to meet with the team members before they arrive on-site at the state audit organization.

### ***Early Arrival***

If considered necessary, the team leader, with the approval of (or at the request of) the state audit organization may arrive on-site one or two days prior to the team's arrival. This early arrival allows the team leader to complete the preliminary phase steps that must be completed on-site at the state audit organization. It also allows the team leader to become familiar with the location of the offices and personnel of the state audit organization.

## **FIELD WORK**

Generally, on-site field work for smaller audit organizations is conducted over approximately five days (a one-week period). In reviews of smaller organizations, the team will arrive on Sunday and on Monday begin reaching their preliminary conclusions about the adequacy of the state audit organization's policies and procedures based on the completion of their assigned area(s). For larger organizations, on-site field work is generally conducted over approximately ten days. In these reviews, the team will usually arrive on Tuesday and begin their work on Wednesday. The timing should be agreed to by the team leader, concurring reviewer, and state audit organization being reviewed. Although a review could vary in length depending on the nature of the state audit organization and the size of the review team, the review should not exceed these time frames. NASACT staff will attempt to arrange for external peer reviews to be conducted on these schedules. If these schedules are not possible due to the nature of the organization or the size of the review team, the team leader and NASACT staff will develop a different schedule. In all instances, scheduling of reviews during holiday weeks will be discouraged.

To provide a better perspective on the nature of the field work performed at the offices of the state audit organization, the table below presents the activities usually performed by the review team during the review period and their estimated completion time.

### TIME FRAMES FOR SMALL REVIEWS

Sunday Evening	Monday Day 1	Tuesday Day 2	Wednesday Day 3	Thursday Day 4	Friday Day 5
Arrival of team members. Initial team meeting is held on Sunday.	Complete Evaluation of P&Ps				
	Review Audit or Attestation Engagements				
				Summarize Findings and Draft Peer Review Report	
				Exit Conference	
				Revise Draft Peer Review Report	

### TIME FRAMES FOR LARGE REVIEWS

Tuesday evening	Wednesday Day 1	Thursday Day 2	Friday Day 3	Saturday Day 4	Sunday Day 5	Monday Day 6	Tuesday Day 7	Wednesday Day 8	Thursday Day 9	Friday Day 10	
Initial meeting of team members before arrival at office of the state audit organization.	Complete Evaluation of P&Ps										
	Review Audit or Attestation Engagements										
						Summarize Findings and Draft Peer Review Report					
										Exit Conference	
										Revise Draft Peer Review Report	

During the course of the review, the team leader is encouraged to maintain a dialogue with the state audit organization about the progress of the review and any issues that have been identified. Also, team members should not have contact with, or access to, the auditees of the reviewed state audit organization unless mutually agreed upon by the state audit organization and the review team. This restriction also applies to users of audit or attest reports issued by the state audit organization.

The field work begins with the arrival of the review team at the offices of the state audit organization and an initial meeting with personnel of the organization. The field work can be classified into the following major areas:

1. Completing the study and evaluation of the quality control policies and procedures established by the state audit organization
2. Reviewing compliance with the policies and procedures established by the state audit organization by reviewing selected engagement working paper files and reports of the state audit organization
3. Identifying matters, findings, deficiencies, and significant deficiencies
4. Aggregating and systematically evaluating matters
5. Forming conclusions on the type of report to issue
6. Communicating conclusions at the exit conference

### ***Completing the Study and Evaluation of the Quality Control Policies and Procedures***

The results of the risk-based evaluation of the organization's quality control policies and procedures are finalized by the team, pending any adjustments or additional evaluations that might arise from the review of audit or attestation engagements. Generally, any design matters ("no" answers) identified by the team are recorded on the MFC form. The results can also be helpful in determining the nature and extent of the test work to be performed to assess the organization's compliance with its established policies and procedures. The reviewer will perform some compliance tests on an organization-wide basis during this review; most compliance testing will be done during the review of individual audits or attestation engagements.

### ***Reviewing Audit or Attestation Engagements***

This phase of field work concentrates on reviewing audit or attestation engagements to determine whether those quality control policies and procedures were adhered to and determining whether the state audit organization complied with applicable professional standards. The review team uses the Guide for Review of Financial Audit Engagements, the Guide for Review of Attestation Engagements, or the Guide for Review of Performance Audit Engagements which set forth the specific questions to be addressed in reviewing an audit or attestation engagement.

A team member should complete the applicable guide for each engagement selected for review. The guide assists in the review process and provides working paper documentation of the review performed. The financial audit guide is supplemented by Appendices A and B – questionnaires for specialized audits (e.g., Single Audit).

To the extent necessary, the review of engagements should include (1) a review of financial statements, working papers, audit reports, and correspondence and (2) discussion with professional personnel of the state audit organization. The depth of the working paper review for particular engagements is left to the professional judgment of the reviewers; however, the review is directed primarily to the key areas of the engagement to determine whether, in accordance with the state audit organization's quality control policies and procedures, well-planned, appropriately executed, and suitably documented procedures were performed on the engagement.

The time required to review individual audit or attestation engagements by team members will vary based upon the size, nature, and complexity of the engagement performed. The review team leader should consider these factors in the selection of engagements and the assignment of team members. Based upon previous experience, each team member reviewing a relatively large organization generally reviews approximately two to three engagements in addition to his/her assignments for evaluations of specific quality control policies and procedures. Each team member reviewing a relatively small organization generally reviews one to two engagements. However, this can vary depending on the circumstances. In addition, the team leader may review engagements as considered necessary.

If problems arise from the selected engagements, the team leader and concurring reviewer should consider selecting more engagements to review to determine whether or not the specific problems identified are isolated occurrences. In selecting additional engagements to review after arriving on site, the team leader should work with the state to minimize the "lapse time" (i.e., the time required to get the working papers from storage or perhaps from a regional office).

Generally, compliance matters ("no" answers) identified during the review of the engagements are recorded on the checklists, and on an MFC form. After completing a review, the team member is also required to

indicate his/her conclusions including any appropriate comments. Additionally, if the review of individual audits/engagements resulted in unresolved compliance matters, the team member should consider whether a deficiency in the entity's policies and procedures might have contributed to the noncompliance and whether further evaluation of policies and procedures, further engagement testing, or other review procedures might be necessary.

### **Identifying Matters, Findings, Deficiencies, and Significant Deficiencies**

In understanding the audit organization's system of quality control, the team leader may note that the system is not designed appropriately. Similarly, the performance of compliance tests may uncover that the system is not being complied with appropriately or may identify a design matter that was not identified during the planning of the peer review. With any of these items, the peer review team has available a set of definitions to assist in classifying the matters identified.

Determining the relative importance of matters identified during the peer review, individually or combined with others, requires professional judgment. Careful consideration is required in forming conclusions. The descriptions that follow, used in conjunction with the MFC, FFC, and Conclusions forms to document these items when applicable, are intended to assist in aggregating and evaluating the peer review results, concluding on them, and determining the nature of the peer review report to issue:

- a. A peer reviewer identifies a *matter* as a result of his or her evaluation of the design of the reviewed audit organization's system of quality control and/or tests of compliance with it. Tests of compliance include inspection, inquiry, and observation performed by reviewing engagements and testing other aspects of the reviewed audit organization's system of quality control. Matters are typically one or more "No" answers to questions in peer review questionnaire(s) that a reviewer concludes warrants further consideration in the evaluation of an audit organization's system of quality control. A matter is documented on an MFC form. A matter, after further evaluation, can be cleared, discussed verbally with the audit organization, or carried forward to the Conclusions document.
- b. A *finding* is one or more related matters that result from a condition in the reviewed audit organization's system of quality control or compliance with its system such that there is more than a remote possibility that the reviewed audit organization would not perform and/or report in conformity with applicable professional standards. The peer review team will conclude whether one or more findings are a deficiency or significant deficiency. If the peer review team concludes that no finding, individually or combined with others, rises to the level of deficiency or significant deficiency, a peer review report rating of *pass* is appropriate. A finding not rising to the level of a deficiency or significant deficiency is documented on an FFC form.
- c. A *deficiency* is one or more findings that the review team has concluded, due to the nature, causes, pattern, or pervasiveness, including the relative importance of the finding to the reviewed audit organization's system of quality control taken as a whole, could create a situation in which the audit organization would not have reasonable assurance of performing and/or reporting in conformity with applicable professional standards in one or more important respects. It is not a significant deficiency if the review team has concluded that except for the deficiency or deficiencies, the reviewed audit organization has reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Deficiencies that are not significant deficiencies are communicated in a report with a peer review rating of *pass with deficiencies*.
- d. A *significant deficiency* is one or more deficiencies that the review team has concluded results from a condition in the reviewed audit organization's system of quality control or compliance with its system such that the reviewed audit organization's system of quality control taken as a whole does not provide the reviewed audit organization with reasonable assurance of performing and/or reporting in conformity with applicable professional standards in all material respects. Such deficiencies are communicated in a report with a peer review rating of *fail*.

Reasonable assurance is a critical concept for the team to keep in mind as it determines the appropriate level of reporting (e.g., *pass*, *pass with deficiency(ies)*, or *fail*). It is important to remember that the ultimate objective of a system of quality control is to provide the audit organization with reasonable, but not absolute, assurance that its work will conform to applicable professional standards. The nature and extent of the audit

organization's quality control policies and procedures should be suitably designed, including adequately documented and communicated, in relation to the organization's size, number of offices and geographic dispersion, knowledge and experience of its personnel, nature and complexity of its audit work, and cost-benefit considerations.

Compliance, for the purpose of determining reasonable assurance, means adherence to a prescribed quality control policy or procedure in all material respects; it does not imply adherence to a prescribed policy or procedure in every case. Variance in individual performance and professional interpretation affects the degree of compliance with an organization's prescribed quality control policies and procedures. Adherence to all policies and procedures in every case may not be possible; nevertheless, a high degree of compliance is to be expected.

Depending on the resolution of a matter and the process of aggregating and evaluating peer review results, a matter may develop into a finding. Findings will also be evaluated and, after considering the nature, causes, pattern, pervasiveness, and relative importance to the system of quality control as a whole, may or may not get elevated to a deficiency. Similarly, a deficiency may or may not be further elevated to a significant deficiency.

A matter is documented on an MFC form. A matter, after further evaluation, can be cleared, discussed verbally with the audit organization, or carried forward to the Conclusions document. The Conclusions document is used to determine the appropriate reporting (i.e., finding reported on an FFC form or a deficiency or significant deficiency reported in the peer review report) of each matter carried forward to this document.

If the matter gets elevated to a finding but not a deficiency or significant deficiency, it is documented on an FFC form. The FFC form is part of the working papers and is not a part of the reporting process. The FFC form includes the review team's recommendation and the reviewed audit organization's response regarding actions planned or taken by the audit organization. If the matter is instead elevated to a deficiency or significant deficiency, then it is communicated in the report itself, along with the review team's recommendation. The audit organization submits a letter of response regarding actions planned or taken by the audit organization, which is also evaluated for appropriateness and responsiveness.

### ***Aggregating and Systemically Evaluating Matters***

To conclude on the results of a peer review, the review team completes the Conclusions document where it aggregates the matters identified during the peer review and determines whether the matters were the result of the design of the reviewed audit organization's system of quality control or the failure of its personnel to comply with the audit organization's quality control policies and procedures. The review team should consider the severity of the matters noted and their relative importance to the audit organization's system of quality control as a whole, along with their nature, causes, pattern, and pervasiveness.

Use of professional judgment is essential in determining whether the aggregation of the matters identified during the review are findings and whether one or more findings is a deficiency or significant deficiency for purposes of reporting on the results of the peer review.

### ***Design Matters***

A design matter exists when the reviewed audit organization's system of quality control is missing a quality control policy or procedure or the reviewed audit organization's existing quality control policies and procedures, even if fully complied with, would not result in engagements performed and/or reported on in accordance with professional standards in some respect. To be effective, a system of quality control must be designed properly, and all of the quality control policies and procedures necessary to provide the reviewed audit organization with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects should be in place. Therefore, the review team will need to determine whether the quality control policies and procedures would be effective if they were complied with. To make this determination, the review team should consider the implications of the evidence obtained during its evaluation of the system of quality control and its tests of compliance, including its reviews of engagements. For example, a pattern of engagement failures to perform and/or report in

conformity with applicable professional standards in all material respects likely is indicative of a finding pertaining to the design of the reviewed audit organization's quality control policies and procedures.

The relative importance of design matters identified in the reviewed audit organization's quality control policies and procedures, individually and in the aggregate, need to be evaluated in the context of the audit organization's size, organizational structure, and the nature of its work. For example, a matter identified during the review of a quality control policy or procedures may be particularly or wholly offset by another policy or procedure. In this circumstance, the review team should consider the interrelationships among the elements of quality control and weigh the matters identified against compensating policies and procedures to determine whether a finding exists and its relative importance.

There may be circumstances in which the reviewer finds few findings in the work performed by the audit organization and yet may conclude that the design of the audit organization's system of quality control needs to be improved.

### *Compliance Matters*

A compliance matter exists when a properly designed quality control policy or procedure does not operate as designed because of the failure of the personnel of the reviewed audit organization to comply with it. Since a variance in individual performance and professional interpretation will affect the degree of compliance, adherence to all policies and procedures in every case generally is not possible. However, the degree of compliance by the personnel of the reviewed audit organization with its prescribed quality control policies and procedures should be adequate to provide the reviewed audit organization with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects.

To determine the degree of noncompliance, the review team should evaluate the matters of noncompliance, both individually and in the aggregate. In assessing whether the degree of compliance was adequate to provide the required assurance, the review team should consider the severity of the matter, as well as the nature, causes, pattern, and pervasiveness of the instances of noncompliance noted and their relative importance to the audit organization's system of quality control as a whole, not merely their importance in the specific circumstances in which they were observed. As with the evaluation of design matters, compliance matters also need to be evaluated in the context of the audit organization's size, organizational structure, and the nature of its work.

### *Determining the Cause for a Finding*

When the review team is faced with an indication that a matter(s) could be a finding, and/or the audit organization failed to perform and/or report in conformity with applicable professional standards in all material respects, the review team's first task in such circumstances is to determine the cause of the finding or failure. Further, the review team must make a good faith effort to try to identify the underlying systemic cause for those matters to determine if they rise to the level of a finding. A finding has a systemic definition; a finding is one or more related matters that result from a *condition* in the reviewed audit organization's system of quality control or compliance with it such that there is more than a remote possibility that the reviewed audit organization would not perform and/or report in conformity with applicable professional standards. With a finding, the reviewer is considering more than just the "matter;" they are considering the condition (that is, systemic cause) that resulted in the matter(s) occurring. Otherwise said, the reviewer must determine why the matters occurred. Upon further evaluation, a finding may rise to a systemically oriented deficiency or significant deficiency. Causes that might be systemic and might affect the type of peer review report issued include, but are not limited to, the following:

- a. The failure related to an issue covered by a recent professional pronouncement, and the audit organization failed to identify, through professional development programs or appropriate supervision, the relevance of that pronouncement to its work.
- b. The failure should have been detected if the audit organization's quality control policies and procedures had been followed.

The finding or failure to perform and/or report in conformity with applicable professional standards in all material respects may be the result of an isolated human error and, therefore, would not necessarily mean that a peer review report with a peer review rating of *pass with deficiencies* or *fail* should be issued. However, if the reviewer believes that the probable cause (for example, a failure to provide or follow appropriate policies for supervision of the work of assistants) of a finding or failure to perform and/or report in conformity with applicable professional standards in all material respects on an engagement or a finding within a functional area also exists in other engagements or in other functional areas, the reviewer needs to consider carefully the need to issue a peer review report with a peer review rating of *pass with deficiencies* or *fail*.

Although an isolated matter or an instance of noncompliance with the audit organization's quality control policies and procedures ordinarily would not be included in the report, its nature, cause (if determinable), and relative importance for the audit organization's system of quality control as a whole should be evaluated in conjunction with the review team's other findings before making a final determination.

#### *The Pattern and Pervasiveness of Matters*

The review team must consider the pattern and pervasiveness of matters and their implications for compliance with the audit organization's system of quality control as a whole, in addition to their nature, causes, and relative importance in the specific circumstances in which they were observed. As noted in the preceding paragraphs, the review team's first task is to try to determine why the matters occurred. In some cases, the design of the audit organization's system of quality control may be deficient (for example, when there is inadequate supervision of engagement planning). In other cases, there may be a pattern of noncompliance with a quality control policy or procedure such as when audit organization policy requires the completion of a financial statement disclosure checklist but such checklists often were not used or relevant questions or points were incorrectly considered. That increases the possibility that the audit organization might not perform and/or report in conformity with applicable professional standards in all material respects, which also means that the reviewer must consider carefully whether the matter(s) individually or in the aggregate is a deficiency or a significant deficiency and whether there is the need to issue a peer review report with a peer review rating of *pass with deficiencies* or *fail*.

On the other hand, the types of matters noted may be individually different, not individually significant, and not directly traceable to the design of or compliance with a particular quality control policy or procedure. This may lead the reviewer to the conclusion that the matters were isolated cases of human error that should not result in a peer review report with a peer review rating of *pass with deficiencies* or *fail*.

#### ***Forming Conclusions on the Type of Report to Issue***

The review team must use professional judgment in determining the type of peer review report to issue. This judgment requires the consideration of several factors, including an understanding of the audit organization's system of quality control and the nature, causes, pattern, and pervasiveness of matters and their relative importance to the audit organization's system of quality control taken as a whole, including limitations on the scope of the review. A general reporting matrix on page II-26 provides guidance on various reporting considerations for this process. In addition, examples have been developed to provide review teams with additional reporting guidance. These examples are located in Section VIII of the manual.

In rare cases, the review team may need technical assistance or an expert opinion from sources outside NSAA. In these instances, the team leader and concurring reviewer should decide whether such assistance or information is needed. The Peer Review Committee Chair and the Administrator must be contacted before any additional assistance is requested. During such requests, state-specific information should not be divulged, except in those rare circumstances in which accurate and appropriate technical information cannot otherwise be obtained and then only with the written approval of the state audit organization and the concurrence of the Peer Review Committee Chair.

When a review team is considering the issuance of a rating of *pass with deficiencies* or *fail*, the team leader and concurring reviewer **must** consult with the Peer Review Committee Chair and the Administrator. The Chair and the Administrator function in an advisory role in such situations primarily to assist in maintaining consistency among reviews. However, the final decision rests with the review team.

The three types of peer review reports are described below.

#### *Peer Review Report with a Peer Review Rating of Pass*

A report with a peer review rating of *pass* should be issued when the review team concludes that the audit organization's system of quality control has been suitably designed and complied with to provide the audit organization with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. There are no deficiencies or significant deficiencies that affect the nature of the report and, therefore, the report does not contain any deficiencies, significant deficiencies, or recommendations.

#### *Peer Review Report with a Peer Review Rating of Pass with Deficiencies*

A report with a peer review rating of *pass with deficiencies* should be issued when the review team concludes that the audit organization's system of quality control has been suitably designed and complied with to provide the audit organization with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects with the exception of a certain deficiency or deficiencies that are described in the report. These deficiencies are conditions related to the audit organization's design of and compliance with its system of quality control that could create a situation in which the audit organization would have less than reasonable assurance of performing and/or reporting in conformity with applicable professional standards in one or more important respects due to the nature, causes, pattern, or pervasiveness, including the relative importance of the deficiencies to the quality control system taken as a whole.

A peer review report rating of *pass with deficiencies* is appropriate when the review team determines that compliance matter(s) (including any design matters in the quality control system that allowed such noncompliance) identified during the review of individual engagements are serious and pervasive such that the system of quality control does not provide reasonable assurance of conformance with at least one of the applicable professional standards. The Conclusions document lists the applicable professional standards of the AICPA AU-C, AT and GAGAS sections. However, overall the organization's quality control system did provide reasonable assurance of complying with these applicable professional standards in all material respects.

The review team should consider the pattern and pervasiveness of matters and their implications for compliance with the audit organization's system of quality control as a whole, in addition to their nature, causes, and relative importance in the specific circumstances in which they were observed in making this determination. The review team should consider these factors when determining the effect noted matters have on the state audit organization. For example, the review team may believe that several individual professional standards are impacted by the noted matters and therefore, the overall system of quality control does not provide reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. In this case, a peer review rating of fail (discussed below) may be appropriate. On the other hand, the effect of the matters may have been limited to parts of individual standards found on individual engagements reviewed (e.g., developing an audit plan under the standard planning an audit). While the matters were pervasive, the review team does not believe they were serious, or pervasive enough to the whole standard (e.g., planning an audit) to provide a peer review rating of *pass with deficiency*. In this case, the review team issues a peer review rating of *pass*. Findings should be documented on an FFC form(s) and retained in the working papers.

In all cases, the team should use sound professional judgment to consider the extent of the engagements involved and the significance of the noncompliance identified (including any design matters in the quality control system that allowed such noncompliance) to the overall audit effort of the organization. Sound professional judgment is especially important in peer reviews since the severity of matters is difficult to measure quantitatively.

#### *Peer Review Report with a Peer Review Rating of Fail*

A report with a peer review rating of *fail* should be issued when the review team has identified significant deficiencies and concludes that the audit organization's system of quality control is not suitably designed to provide the audit organization with reasonable assurance of performing and reporting in conformity with

applicable professional standards in all material respects or the audit organization has not complied with its system of quality control to provide the audit organization with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects.

Again, the review team should consider the pattern and pervasiveness of matters and their implications for compliance with the audit organization's system of quality control as a whole, in addition to their nature, causes, and relative importance in the specific circumstances in which they were observed in determining the appropriate level of reporting. The effect of the noncompliance (and related quality control system matters) must be so severe on the overall system of quality control as to preclude the expression of a peer review rating of *pass with deficiencies*. Sound professional judgment should be used in issuing a peer review rating of *fail*.

### ***Scope Limitation***

When the scope of the review is limited by conditions that preclude the application of one or more peer review procedures considered necessary in the circumstances and the peer reviewer cannot accomplish the objectives of those procedures through alternative procedures, the types of reports described above are modified by including statements in the report's scope paragraph, body and opinion paragraph. These statements describe the relationship of the excluded audit(s) or functional area(s) to the reviewed organization's full scope of practice and system of quality control and the effects of the exclusion on the scope and results of the review.

### ***Other Issues***

In connection with the audits or attestation engagements reviewed, the review team may encounter indications of significant failures by the reviewed state audit organization to reach appropriate auditing and reporting conclusions. In such situations, the review team should consider that the team has not done an engagement in accordance with GAAS or government auditing standards, nor has it had the benefit of access to the auditee's records, discussions with the auditee, or specific knowledge of an auditee's business. Therefore, in the absence of clear and convincing evidence to the contrary, the review team should presume that representations concerning conclusions contained in the audit documentation are correct. The review team should, however, pursue questions about auditing or reporting matters with the reviewed state audit organization when it believes there may be a significant failure to reach appropriate conclusions in the application of applicable professional standards.

The review team should consider whether significant failures to reach appropriate auditing and reporting conclusions are indicative of significant deficiencies of the reviewed state audit organization in complying with its quality control system to provide reasonable assurance of performing and/or reporting in conformity with applicable professional standards. As stated earlier, the pattern and pervasiveness of matters and their implications for compliance with the audit organization's system of quality control as a whole, in addition to their nature, causes, and relative importance in the specific circumstances in which they were observed noted should be considered by the review team in making its overall evaluation of the reviewed state audit organization's system of quality control and compliance therewith.

Should the review team, during the conduct of the review, believe that the reviewed state audit organization may have issued an inappropriate report, the review team leader shall promptly inform an appropriate authority within the reviewed state audit organization. In such circumstances, the reviewed state audit organization is responsible for investigating the matter questioned by the review team and determining what action, if any, should be taken in accordance with the applicable auditing standards.

**REPORTING MATRIX  
GENERAL GUIDANCE FOR REPORTING CONSIDERATIONS**

<b>Items noted during peer review</b>	<b>Severity of design/compliance matters</b>	<b><i>In general, the design, including documentation and communication, of the organization's system of quality control was...</i></b>	<b><i>In general, compliance with the organization's system of quality control was...</i></b>	<b><i>In general, the design/compliance matters noted related to...</i></b>	<b><i>In general, the compliance matters noted were....</i></b>	<b><i>Considering the overall design and compliance, the organization's system of quality control....</i></b>	<b><i>Type of peer review report to issue</i></b>
Matter <i>Documented on an MFC form</i> (See page II-20)	Isolated or insignificant	Adequate for complying with applicable professional standards <sup>(a)</sup> overall	Sufficient on overall system	Part(s) of at least one standard	Isolated occurrences (often related to only one or a few engagements)	Provided a reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects	Pass
Finding <i>Documented on an FFC form</i> (See page II-20)	Moderate	Adequate for complying with applicable professional standards overall; however, inadequate for part(s) of one or more individual standards	Sufficient on overall system; however, insufficient for part(s) of at least one standard	Part(s) of at least one standard	Recurring and pervasive (in multiple engagements reviewed)	After considering the findings identified, provided a reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects	Pass
Deficiency <i>Communicated in the report</i> (See page II-20)	Serious	Adequate for complying with applicable professional standards overall; however, inadequate for substantially one standard or several parts of several standards <sup>(b)</sup>	Sufficient on overall system; however, insufficient for one standard or several parts of several standards	Substantially one standard or several parts of several standards	Recurring and pervasive (in multiple engagements reviewed)	Provided a reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects with the exception of a certain deficiency or deficiencies that are described in the report	Pass with deficiencies
Significant Deficiency <i>Communicated in the report</i> (See page II-20)	Severe	Inadequate for complying with applicable professional standards overall <sup>(b)</sup>	Insufficient on overall system	Several standards	Recurring and pervasive (in multiple engagements reviewed)	Did not provide a reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects	Fail

- (a) For purposes of this matrix, "standards" includes individual government auditing standards, individual AU-C Sections (e.g., AU-C 230), and individual AT Sections.
- (b) In the absence of matters noted in the engagements reviewed, the reviewer would normally conclude that matters noted in the design of the QC system should only be reported as a finding and not elevated to a deficiency or significant deficiency.

## ***Disagreement Within Review Teams***

The team decision-making process must respect the professional judgments of each team member, while preserving a structure to reach group decisions. The NSAA External Peer Review Program draws upon the talents and experiences of highly qualified team members. Team members are encouraged to arrive at judgments and to follow a thoughtful and deliberative decision-making process. Team members must be mindful, however, that their judgments must be supported by valid interpretations of applicable professional standards and not on personal preferences.

Many team decisions are essentially subjective judgments; accordingly, the team may not always reach consensus. It may be difficult to reach consensus on the significance of a problem. Especially difficult decisions may center on how a problem should be reported (e.g., finding, deficiency, or significant deficiency). When disagreements exist, it is necessary to have a structured decision-making process available.

First, review teams may need to gather additional information on applicable professional standards, accounting principles, or the like, to be able to make an informed decision and resolve any disagreements. In addition to the team's own research efforts, the team leader and concurring reviewer may consult with:

- Peer Review Committee Chair
- Peer Review Administrator
- Known experts in certain subject areas
- Authoritative standard-setting organizations (e.g., GASB, GAO, AICPA, or OMB)

The team leader and concurring reviewer should decide whether additional outside technical assistance or information is needed. The Peer Review Committee Chair and the Administrator must be contacted before such assistance is requested. During these requests, state-specific information should not be divulged, except in those rare circumstances in which accurate and appropriate technical information cannot otherwise be obtained and then only with the written approval of the state audit organization and the concurrence of the Peer Review Committee Chair.

If, after thoughtful consideration of all available information, a disagreement still exists and consensus cannot be reached within the team, then the type of peer review report shall be decided jointly by the team leader and the concurring reviewer. However, if the majority of team members disagree with the decision of the team leader and the concurring reviewer regarding the type of peer review report, the matter is referred to the Peer Review Committee Chair for resolution. Also, if the team leader and the concurring reviewer disagree regarding the type of peer review report to issue, then the matter is referred to the Peer Review Committee Chair for resolution.

To resolve the disagreement(s), the Chair's options include but are not limited to:

- Offering interpretations regarding NSAA External Peer Review policies and procedures
- Consulting with other Peer Review Committee members, concurring reviewers, or team leaders
- Sending another concurring reviewer on-site
- Appointing a subcommittee of the Peer Review Committee, chaired by a principal member of NSAA. The subcommittee will follow the same procedures as outlined below for resolution between the team and state being reviewed.

Once the disagreement(s) is resolved, the team's conclusions should be presented in a "unified" voice. Dissenting viewpoints by team members who disagree with the final decisions should not be presented at the exit conference or in the final peer review report. They should, however, be documented in the working papers.

## ***Communicating Conclusions at the Exit Conference***

An audit organization should respond promptly to questions raised in the review to assist the review team in reaching its conclusions. Prior to issuing its report or finalizing FFC form(s), if applicable, the review team should communicate its conclusions to senior members of the reviewed audit organization at an exit conference. Information contained in the review team's working papers may be made available to the

reviewed state audit organization, if requested, in order to clarify questions concerning the team's comments.

The reviewed audit organization is entitled to be informed at the exit conference about any matters documented on the MFC form(s), findings documented on the FFC form(s), deficiencies or significant deficiencies to be included in the peer review report, and the type of report to be issued. Accordingly, except in rare circumstances that should be explained to the reviewed audit organization, the exit conference should be postponed if there is any uncertainty about the report to be issued or the deficiencies or significant deficiencies to be included in the report. The review team should also communicate, if applicable, that the audit organization will be required to respond to the findings documented on the FFC form(s), and/or the deficiency(ies) or significant deficiencies included in the peer review report. The exit conference is also the appropriate vehicle for providing suggestions for improving audit or attest processes or procedures to the audit organization that are not included in the report, FFC form(s), or MFC form(s).

### ***Disagreements Between the Review Team and the State Audit Organization Regarding the Type of Peer Review Report***

Disagreements affecting the peer review report may occur between the review team and the reviewed state audit organization. If these disagreements cannot be resolved by ordinary good-faith efforts, at the option of the state audit organization or the external peer review team, the matter may be referred to the Peer Review Committee Chair for resolution. If an issue is referred, the Chair may appoint a special review committee of individuals who have previously functioned as concurring reviewers. The special review committee may consult with the members of the review team, review the team's working papers, interview representatives of the state audit organization, or consult with appropriate NSAA committees or the Administrator. The special review committee will evaluate the circumstances concerning the disagreement(s) and make recommendations to the review team and the state audit organization in an effort to help resolve the disagreement. If the disagreement remains unresolved, the state audit organization may formally appeal the issue to the Peer Review Committee for final resolution.

To resolve the disagreement, the principal members of the Peer Review Committee may consult with the members of the review team; review the team's working papers; interview representatives of the state audit organization; or consult with appropriate NSAA committees, the Administrator, or the special review committee. The principal members of the Peer Review Committee are authorized to take whatever action is necessary. This action may include, but is not limited to:

1. Directing additional work be performed, or
2. Recommending the peer review report be issued as submitted by the review team or revised.

### ***Engagements Discontinued Before Completion***

A review cannot be discontinued because of the expected results of the review. However, specific circumstances may indicate that it will be necessary to discontinue or suspend a review before its completion. Discontinuance of an external peer review may be appropriate for various reasons – e.g., internal constraints or conditions which were previously unforeseen by the state audit organization. Where discontinuance is appropriate, the head of the state audit organization should notify the review team leader, the concurring reviewer, the Administrator, and the Peer Review Committee Chair in writing of the reasons for the termination. A review may only be terminated before completion with the prior approval of the Chair. All expenses actually incurred by or on behalf of the review team members shall be paid by the state audit organization if the termination is caused or requested by the state audit organization.

## **COMPLETION PHASE**

The completion of the review consists primarily of finalizing the peer review report. The team leader will coordinate with the state audit organization, individual team members, the concurring reviewer, the Administrator, and the Peer Review Committee Chair, as needed, concerning any possible revisions or problems. The state audit organization will be requested to provide a written response to the report under two situations. When the peer review rating is *pass with deficiencies* or *fail*, the state audit organization should prepare a response that addresses the deficiency(ies) or significant deficiency(ies) that resulted in the *pass with deficiencies* or *fail* rating. The audit organization's response should be placed on the state

audit organization's letterhead, addressed to the team leader and concurring reviewer, and signed by the principal of the organization or his or her designee. The team leader should attach the response(s) to the peer review report for issuance.

The peer review report and state audit organization's response (if applicable) will be issued on or before the date specified in the contract with the state audit organization being reviewed, unless an extension is granted by the state audit organization. The team leader will distribute these documents as stated in the contract.

To ensure that all contracted deadlines are met, NASACT staff should determine whether the review documents will be issued within those deadlines. If there is any indication that those deadlines will not be met for reasons within the review team's control, NASACT staff should contact the team leader and concurring reviewer both by telephone and in writing to determine the status of the review documents. A copy of that letter should be sent to the Peer Review Committee Chair who at his or her discretion may send a copy of the letter to the team leader's and concurring reviewer's organization heads. If problems with issuing the review documents persist, the Peer Review Committee Chair will take whatever action he or she deems necessary, including contacting directly the team leader's and concurring reviewer's organization heads. If, on the other hand, the delay is caused by the state audit organization, NASACT staff should obtain an extension to the contracted deadlines from the state audit organization and notify the Peer Review Committee Chair if any problems persist.

### ***Preparing the Peer Review Report***

To provide both the reviewed audit organization and other users with the proper perspective of the significance of the review team's report, consistency from review to review is essential. The report must be issued by the date specified in the engagement letter and the contract between NASACT and the state audit organization.

The peer review report should not be issued until after the concurring reviewer has completed his/her review and resolved any questions. Also, any disagreements between team members must be resolved before the release of the written reports. The resolution of disagreements is discussed in more detail on pages II-27.

The peer review report should be addressed to the head of the state audit organization and should be dated as of the last day of field work. The peer review report is issued on NSAA letterhead (without the listing of officers and executive committee members) and signed by the team leader and the concurring reviewer on behalf of the entire team.

The review team should provide the specific number of copies of the peer review report as indicated in the contract between NASACT and the state audit organization. An additional copy of the final peer review report and audit organization's response (if applicable), should be retained in the review team's working papers. The peer review report and audit organization's response (if applicable), are considered confidential information and the property of the state audit organization. The availability and distribution of copies of the peer review report and audit organization's response (if applicable), are solely at the discretion of the state audit organization. However, review team members may retain a copy of the final peer review report and audit organization's response (if applicable), for their own information.

A review team may issue a peer review report with a rating of *pass*, *pass with deficiencies*, or *fail*.

A peer review report with a peer review rating of *pass* should:

- Include a description of the scope of the review
- Describe the purpose of a system of quality control for a state audit organization
- State that the system of quality control is the responsibility of the state audit organization and the reviewer's responsibility is to express an opinion on the design of and compliance with that system based on the review
- State that the review was conducted in accordance with the policies and procedures established by NSAA
- Describe the general procedures performed on a peer review
- Describe the limitations of a system of quality control

- State the opinion that the system of quality control has been suitably designed and complied with to provide the audit organization with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects

Exhibit A-1 on page II-33 presents the standard format for a peer review report with a rating of *pass*.

The peer review report with a rating of *pass with deficiencies* follows the general format of a peer review report with a rating of *pass*, except that the deficiency(ies) that resulted in the report rating of *pass with deficiencies*, and the review team's recommendations, must be clearly disclosed. A reference to the audit organization's response to the recommendations is also included. Exhibit A-3 on page II-34 provides guidance for preparing a peer review report with a rating of *pass with deficiencies*.

The peer review report of a rating of *fail* follows the general format of a peer review report with a rating of *pass*, except that the significant deficiency(ies) that resulted in the rating of *fail*, and the review team's recommendations, must be clearly disclosed. A reference to the audit organization's response to the recommendations is also included. Exhibit A-5 on page II-35 provides guidance for preparing a peer review report with a rating of *fail*.

In the event of a scope limitation, include an additional paragraph before the opinion paragraph that describes the relationship of the excluded engagement(s) or functional area(s) to the reviewed audit organization's work as a whole and the effect of the exclusion on the scope and results of the peer review. Exhibits A-2, A-4 and A-6 on pages II-34 - II-37 provide guidance for preparing a peer review report with a scope limitation.

Examples have been developed to provide review teams with additional reporting guidance. These examples are located in Section VIII of the Manual.

### ***Audit Organization's Response to the Peer Review Report***

The state audit organization should provide a written response to the report under two situations. When the peer review rating is *pass with deficiencies* or *fail*, the state audit organization should prepare a response that addresses the deficiency(ies) or significant deficiency(ies) that resulted in the rating of *pass with deficiencies* or *fail*. The response should be placed on the state audit organization's letterhead, addressed to the team leader and concurring reviewer, and signed by the principal of the organization or his or her designee.

The letter of response should describe the actions planned or taken by the reviewed audit organization with respect to each deficiency in the report. The team leader should attach the response to the peer review report for issuance. Exhibit B on page II-37 provides guidance for the audit organization's response to a peer review report with a rating of *pass with deficiencies* or *fail*.

The review team should analyze the audit organization's response(s) for appropriateness. If there are disagreements, the team and the audit organization should attempt to resolve the matter by ordinary good-faith efforts. For disagreements involving deficiencies and significant deficiencies noted in a peer review report with a rating of *pass with deficiencies* or *fail*, the procedures on page II-28 should be followed. If, after following those procedures, the disagreement cannot be resolved, then the review team should prepare an appropriate rebuttal and attach it to the audit organization's response.

### **Finalizing External Peer Reviews**

After the review, the team leader, in conjunction with the concurring reviewer, should provide recommendations to NASACT staff concerning the participation of each team member on future review teams. A team member can be recommended to serve as a team leader or again as a team member. A recommendation can also be made for no participation on future review teams. Likewise, the concurring reviewer provides a recommendation to NASACT staff on the participation of the team leader on future reviews. A team leader can be recommended to serve as a team member, again as a team leader, or as a concurring reviewer. A recommendation can also be made that the team leader not serve on a future review team. These recommendations should be included in the data retained and used in making future assignments.

To complete the review process, the team leader should submit the completed electronic Peer Review Workpaper Index (including the standard work program and all working papers) to NASACT staff for storage and retention in accordance with NSAA policies and procedures. Transferring electronic files should be done in the most secure and efficient method available to mitigate the risk of unintended distribution to anyone other than those authorized to have access. The method used should be agreed to with NASACT staff.

### **REVIEW TEAM WORKING PAPERS**

Working papers should be prepared by the review team to document the work performed and the findings and conclusions reached by the review team. The working papers consist primarily of the following:

- Background information relating to the state audit organization
- Engagement letter, contract, correspondence, and other documents related to the review
- Standard work programs
- Completed documents for financial audits, attestation engagements, and/or performance audits
- MFC and FFC forms (if applicable)
- Documentation of the exit conference
- Report draft and a copy of the final peer review report issued

A listing of the engagements reviewed should be prepared and become a part of the retained working papers to assist in the selection of engagements for subsequent reviews. Any other summaries of the aforementioned questionnaires may be retained if such summaries do not identify specific individuals. Working papers should be prepared and organized appropriately as in any engagement situation (suggested working paper index references can be found in the Standard Work Program for the Team Leader). The team leader is responsible for instructing the team members about the preparation of working papers. Particular attention should be given to the importance of the condition of the working papers in the summarization of the team's conclusions for the writing of the peer review report.

Additional policies concerning access to working papers as well as storage and retention requirements are presented below.

### **Storage and Retention of Working Papers**

The Guides for Review of Audits or Attestation Engagements and Audit Staff Questionnaires should not become part of the working papers, but should be retained by the team leader for a period of 90 days, after which they should be destroyed. Immediately following issuance of the peer review report, the team leader should submit, in good form, all working papers to the Lexington office of NASACT. Transferring electronic files should be done in the most secure and efficient method available to mitigate the risk of unintended distribution to anyone other than those authorized to have access. The method used should be agreed to with NASACT staff. NASACT will be responsible for storage and retention of the working papers. These working papers should be retained until completion of a subsequent review of the state audit organization. However, the Administrator will prepare a permanent file for each state audit organization reviewed that includes, among other things, documents related to and rationales for issuing a peer review rating of *pass with deficiencies* or *fail*, if applicable.

### ***Access to Working Papers***

The working papers of the review team are considered confidential information. Access to these working papers requires the written approval of the state audit organization reviewed. The only exceptions to this policy are:

- The Chair of the NSAA External Peer Review Committee or other members of the Committee who are appointed by the Chair to serve on a dispute resolution subcommittee
- Team members, team leaders, and concurring reviewers performing subsequent reviews
- Designated NASACT staff members assigned to administer the review program

These individuals will be allowed access to working papers as necessary in order to properly carry out their functions.

Furthermore, the reviewed state audit organization will also be allowed access to the working papers applicable to its review after the team leader has submitted the working papers to NASACT; the Administrator has completed his/her quality control review; and the peer review report has been issued. The Administrator should complete his/her quality control review within 60 days of receipt of the working papers.

If a request for access to working papers is denied by the state audit organization, an appeal may be made to the Peer Review Committee Chair for access to the working papers. If this appeal is unsuccessful, a subsequent request may be made to the President of NSAA who, along with the Executive Committee of NSAA, has final authority in the matter.

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**Exhibit A – Standard Reporting Formats**

**EXHIBIT A-1 REPORT WITH A PEER REVIEW RATING OF PASS  
(Report should be on NSAA Letterhead)**

**PEER REVIEW REPORT**

**Date**

**(Last Day of Field Work)**

State Auditor  
State Capitol  
Any State

Dear State Auditor:

We have reviewed the system of quality control of [name of audit organization] (the office) in effect for the period [insert review period]. A system of quality control encompasses the office's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The design of the system and compliance with it are the responsibility of the office. Our responsibility is to express an opinion on the design of the system and the office's compliance with the system based on our review.

We conducted our review in accordance with the policies and procedures for external peer reviews established by the National State Auditors Association (NSAA). In performing our review, we obtained an understanding of the office's system of quality control for engagements conducted in accordance with professional standards. In addition, we tested compliance with the office's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of the office's policies and procedures on selected engagements. The engagements selected represented a reasonable cross-section of the office's engagements conducted in accordance with professional standards. We believe that the procedures we performed provide a reasonable basis for our opinion.

Our review was based on selective tests; therefore it would not necessarily disclose all design matters in the system of quality control or all compliance matters with the system. Also, there are inherent limitations in the effectiveness of any system of quality control; therefore, noncompliance with the system of quality control may occur and not be detected. Projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or because the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the system of quality control of [name of audit organization] in effect for the period [insert review period] has been suitably designed and was complied with during the period to provide the audit organization with reasonable assurance of performing and reporting in conformity with *Government Auditing Standards* in all material respects. Audit organizations can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. The [name of audit organization] has received a peer review rating of *pass*.

---

Team Leader  
National State Auditors Association  
External Peer Review Team

---

Concurring Reviewer  
National State Auditors Association  
External Peer Review Team

## EXHIBIT A-2 REPORT WITH A PEER REVIEW RATING OF *PASS (WITH A SCOPE LIMITATION)*

Use the format in **exhibit A-1** for a peer review rating of *pass* with the following three adjustments:

1. Immediately preceding the opinion paragraph, the review team should insert a separate paragraph which clearly describes the nature of the scope limitation. For example:

In performing our review, the office informed us that we would be unable to select its audit of the Comprehensive Annual Financial Report for a certain government entity. As a result we were unable to include this audit within the scope of our review. This is the audit organization's largest audit engagement of the governmental entity and represented x% of the total work effort for the organization.

2. The first sentence of the opinion paragraph should be modified as follows:

In our opinion, except for any deficiencies or significant deficiencies that might have come to our attention had we not been limited in scope as noted above, the system of quality control of [name of audit organization] in effect for the period [insert review period] has been suitably designed and was complied with during the period to provide the audit organization with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects.

3. The last sentence of the opinion paragraph should be modified as follows:

The [name of audit organization] has received a peer review rating of *pass (with a scope limitation)*.

## EXHIBIT A-3 REPORT WITH A PEER REVIEW RATING OF *PASS WITH DEFICIENCIES*

Use the format in **exhibit A-1** for a peer review rating of *pass* with the following four adjustments:

1. Immediately preceding the opinion paragraph, the review team should identify the deficiency(ies) noted during the review and the review team's recommendations (each of these should be numbered), by adding the following:

We noted the following deficiency(ies) during our review:

Deficiency—[describe the deficiency]  
Recommendation—[describe the recommendation]

2. The first sentence of the opinion paragraph should be modified as follows:

In our opinion, except for the deficiency(ies) described above, the system of quality control for the [name of audit organization] in effect for the period [insert review period] has been suitably designed and complied with to provide the audit organization with reasonable assurance of performing and reporting in conformity with *Government Auditing Standards* in all material respects.

3. The last sentence of the opinion paragraph should be modified as follows:

The [name of audit organization] has received a peer review rating of *pass with deficiencies*.

4. In a separate paragraph immediately following the opinion paragraph, this sentence should be added:

In the attached correspondence dated [date], the [name of audit organization] provided its response to the report recommendation(s).

**EXHIBIT A-4 REPORT WITH A PEER REVIEW RATING OF  
PASS WITH DEFICIENCIES (WITH A SCOPE LIMITATION)**

Use the format in **exhibit A-3** for a peer review rating of *pass with deficiencies* with the following four adjustments:

1. The third sentence and fifth sentences in the scope paragraph should be revised as follows:

Except as noted below, we tested compliance with the office's quality control policies and procedures to the extent we considered appropriate.

Except as noted below, the engagements selected represent a reasonable cross-section of the office's engagements conducted in accordance with professional standards. We believe that the procedures we performed provided a reasonable basis for our opinion.

2. Immediately preceding the deficiencies, the review team should insert a separate paragraph which clearly describes the nature of the scope limitation. For example:

In performing our review, the office informed us that we would be unable to select its audit of the Comprehensive Annual Financial Report for a certain government entity, which is its largest engagement. As a result we were unable to include this audit within the scope of our review.

3. The first sentence of the opinion paragraph should be modified as follows:

In our opinion, except for the effects of the deficiency(ies) described above and any additional deficiencies or significant deficiencies that might have come to our attention had we not been limited in scope as noted above, the system of quality control of [name of audit organization] in effect for the period [insert review period] has been suitably designed and was complied with during the period to provide the audit organization with reasonable assurance of performing and reporting in conformity with *Government Auditing Standards* in all material respects.

4. The last sentence of the opinion paragraph should be modified as follows:

The [name of audit organization] has received a peer review rating of *pass with deficiencies (with a scope limitation)*.

**EXHIBIT A-5 REPORT WITH A PEER REVIEW RATING OF FAIL**

Use the format in **exhibit A-1** for a peer review rating of *pass* with the following four adjustments:

1. Immediately preceding the opinion paragraph, the review team should identify the significant deficiency(ies) noted during the review and the peer review team's recommendations (each of these should be numbered), by adding the following:

We noted the following significant deficiency(ies) during our review:

Deficiency—[describe the deficiency]

Recommendation—[describe the recommendation]

2. The opinion paragraph should be modified as follows:

In our opinion, as a result of the significant deficiency(ies) described above, the system of quality control of the [name of audit organization] in effect for the period [insert review period] was not suitably designed or complied with during the period to provide the audit organization with reasonable assurance of performing and/or reporting in conformity with *Government Auditing Standards* in all material respects.

3. The last sentence of the opinion paragraph should be modified as follows:

The [name of audit organization] has received a peer review rating of *fail*.

4. In a separate paragraph immediately following the opinion paragraph, this sentence should be added:

In the attached correspondence dated [date], the [name of audit organization] provided its response to the report recommendation(s).

#### **EXHIBIT A-6 REPORT WITH A PEER REVIEW RATING OF FAIL (WITH A SCOPE LIMITATION)**

Use the format in **exhibit A-5** for a peer review rating of *fail* with the following four adjustments:

1. The third sentence and fifth sentences in the scope paragraph should be revised as follows:

Except as noted below, we tested compliance with the office's quality control policies and procedures to the extent we considered appropriate.

Except as noted below, the engagements selected represent a reasonable cross-section of the office's engagements conducted in accordance with applicable professional standards. We believe that the procedures we performed provided a reasonable basis for our opinion.

2. Immediately preceding the significant deficiency(ies), the review team should insert a separate paragraph which clearly describes the nature of the scope limitation. For example:

In performing our review, the office informed us that we would be unable to select its audit of the Comprehensive Annual Financial Report for a certain government entity, which is its largest engagement. As a result we were unable to include this audit within the scope of our review.

3. The first sentence of the opinion paragraph should be modified as follows:

In our opinion, as a result of the significant deficiency(ies) described above, and any additional significant deficiency(ies) that might have come to our attention had we not been limited in scope as noted above, the system of quality control of [name of audit organization] in effect for the period [insert review period] was not suitably designed or complied with during the period to provide the audit organization with reasonable assurance of performing and reporting in conformity with *Government Auditing Standards* in all material respects.

4. The last sentence of the opinion paragraph should be modified as follows:

The [name of audit organization] has received a peer review rating of *fail (with a scope limitation)*.

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**Exhibit B – Audit Organization’s Response**

**AUDIT ORGANIZATION RESPONSE**  
**(Response to Peer Review Report Rating of *Pass with Deficiency(ies)* or *Fail*)**

**Audit Organization Letterhead**  
**Date**

Team Leader  
Concurring Reviewer

Dear (Names of Team Leader and Concurring Reviewer):

This letter represents our response to the deficiency(ies) [or significant deficiency(ies)] that resulted in a peer review report rating of *pass with deficiency(ies)* [or *fail*] issued in connection with [name of audit organization]’s system of quality control for the period [insert review period].

Recommendation – (restate the recommendation included in the peer review report)  
Response – (describe the actions planned or taken to address the recommendation)

Sincerely,

\_\_\_\_\_  
Principal of Audit Organization (or his or her designee)  
Title  
Audit Organization

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## Section III

Administrative Policies and Procedures for the  
NSAA External Peer Review Program

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August 2017



**Administrative Policies and Procedures**

This document contains the administrative procedures to be followed by the National Association of State Auditors, Comptrollers and Treasurers (NASACT), in conducting the external peer review program established by the National State Auditors Association (NSAA). NASACT, in conjunction with NSAA, is primarily responsible for the day-to-day operations of the external peer review program. This document has been developed in order to provide detailed guidelines for NASACT and its staff in the performance of this administrative function.

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Revised	08/16
Revised	08/17

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## **Administrative Policies and Procedures**

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### **Contents**

Introduction.....	1
General Operating Procedures .....	2
Documentation of the NSAA External Peer Review Program .....	2
Revisions to NSAA Documents .....	2
Maintenance of Appropriate Records and Files.....	3
Procedures for Scheduling and Directing an External Peer Review .....	4
Time Frames for External Peer Reviews .....	6
Contract.....	6
Fees and Billings to Reviewed State Audit Organizations.....	7
Preparation of Financial Statements.....	8
Retention and Access to Review Team Working Papers .....	8
Schedules .....	8
Coordination and Assignment of Review Teams .....	10
Database of Team Members .....	10
Assignment of Team Members .....	10
Travel Arrangements.....	12
Reimbursement of Team Members' Expenses.....	12
Training and Assistance.....	13
Technical Assistance to Review Teams .....	13
Training of Team Members .....	13
Appendix I: Sample Forms.....	14
Status Report .....	15
External Peer Review Planning Sheet.....	17
Contract.....	20
Invoice .....	23
Detailed Billing Form.....	24
Team Member Qualifications Sheet.....	25
Review Team's Evaluation Form .....	27
Initial Discussions with Team Members .....	29
Statement of Independence.....	30
Travel and Reimbursement Policies .....	31
Expense Report .....	33
State Audit Organization Evaluation Form.....	34
Bank Credit Computation Form .....	37
Working Papers Review Checklist.....	38
Welcome Letter .....	41
Team Member Recommendation Form .....	43
Team Leader Recommendation Form.....	45

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## ***Administrative Policies and Procedures***

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### ***Introduction***

The National Association of State Auditors, Comptrollers and Treasurers (NASACT) is responsible for the daily operation of the external peer review program developed by the National State Auditors Association (NSAA). NASACT has been assigned responsibility for three major areas:

1. Administration of the review process on a daily basis
2. Coordination and assignment of review teams
3. Training of team members

An individual within NASACT should be designated as the Administrator of the external peer review program and charged with the primary responsibility for performing these functions. The Administrator will perform these functions under the direction of the Peer Review Committee, as communicated by the Peer Review Committee Chair.

Another individual within NASACT will be designated as the Coordinator and will assist in carrying out these functions. The Coordinator will primarily assist in the organization of the review team, coordination between the review team and the state audit organization, the establishment of the review team's travel arrangements, and other administrative issues.

Specific procedures to be followed by the Administrator and the Coordinator are detailed in this document in order to facilitate the accomplishment of their assigned duties and responsibilities.

The Administrator will manage the external peer review program in compliance with the "Policies and Procedures for the NSAA External Peer Review Program," which is the document established by NSAA to govern its external peer review program. The administrative procedures for NASACT contained in this document are consistent with this NSAA document. However, it should be noted that the proper execution of the NASACT administrative function requires continuous knowledge and understanding of, as well as close attention to, these established NSAA directives.

The administrative procedures set forth in this document have been approved by the Peer Review Committee and appropriate NASACT management personnel. Any changes to this document should follow the mechanism for revisions to external peer review program requirements, established by the NSAA in its "Policies and Procedures for the External Peer Review Program."

## **Administrative Policies and Procedures**

### **General Operating Procedures**

#### **DOCUMENTATION OF THE NSAA EXTERNAL PEER REVIEW PROGRAM**

NSAA has identified six basic elements in its external peer review program. These six elements are listed below:

1. Introduction
2. Policies and Procedures for the NSAA External Peer Review Program
3. Administrative Procedures for the NSAA External Peer Review Program
4. Documents for Financial Audit External Peer Reviews:
  - Audit Organization Questionnaire
  - Audit Staff Questionnaire
  - Audit Organization's Policies and Procedures and Review Guide
  - Guide for Review of Engagements
  - Matters for Further Consideration
  - Conclusions for the External Peer Review
  - Findings for Further Consideration
5. Documents for Attestation Engagement External Peer Reviews:
  - Includes all documents listed above for financial audit external peer reviews
6. Documents for Performance Audit External Peer Reviews:
  - Includes all documents listed above for financial audit external peer reviews

Each of the aforementioned elements of the external peer review program is embodied in a formal document. The Administrator is responsible for the maintenance of each of these documents. The Administrator should retain the current, approved version of each document. In addition, previous versions and changes thereto, should be retained for reference purposes.

The NSAA External Peer Review Manual will be updated as circumstances dictate and will be posted on NASACT's website. The External Peer Review Manual can also be obtained from the Peer Review Administrator or Coordinator.

#### **REVISIONS TO NSAA DOCUMENTS**

Revisions to the external peer review program requirements may become necessary as circumstances arise. NSAA has established a policy concerning the specific procedures to be followed in such situations. An excerpt, from the NSAA "Policies and Procedures for the External Peer Review Program" relating to these procedures for revisions, is presented below.

<b>Requirement Established By:</b>	<b>Mechanism:</b>
Introduction (Section I)	<ul style="list-style-type: none"><li>- Submission of draft document as a discussion memorandum to NSAA membership for comment.</li><li>- Submission of exposure draft to NSAA membership for comment after due consideration of responses received on the discussion memorandum.</li><li>- Approval of final document by a majority of NSAA members.</li></ul>
Policies and Procedures for the External Peer Review Program (Section II)	<ul style="list-style-type: none"><li>- Same as above for Introduction.</li></ul>

Requirement Established By:	Mechanism:
Administrative Procedures (NASACT) (Section III)	<ul style="list-style-type: none"> <li>- Submission of suggested changes to the Peer Review Committee and NASACT staff (as appropriate) for comment and approval.</li> </ul>
Forms Common to All Peer Reviews (Section IV)	<ul style="list-style-type: none"> <li>- Submission of suggested changes to previous team leaders and concurring reviewers (sample basis) for comment.</li> <li>- Approval of revision by the Peer Review Committee based upon comments received.</li> </ul>
Documents for Financial Audits, Attestation Engagements or Performance Audits (Sections V, VI, and VII)	<ul style="list-style-type: none"> <li>- Submission of suggested changes to previous team leaders and concurring reviewers (sample basis) for comment.</li> <li>- Approval of revision by the Peer Review Committee based upon comments received.</li> </ul>
Questions and Answers for Team Members; Questions and Answers for Team Leaders and Concurring Reviewers; Reporting Examples (Section VIII)	Same as above for Documents for Financial Audits, Attestation Engagements, or Performance Audits/ Standard Work Program.

The Administrator, under the direction of the Peer Review Committee Chair, will be responsible for providing assistance in the preparation of revisions to NSAA documents using these guidelines.

These guidelines are designed to provide an opportunity for comments to be received from the various interested parties, i.e., state auditors, NASACT management, and team leaders. The revision process centers on the issuance of exposure drafts concerning the suggested changes. In order to provide sufficient time for input, invitations to comment should be issued for a period of no less than 30 days.

Exceptions to the above policy for revisions to NSAA documents may be made in circumstances when only minor changes will be made. Any exceptions to the policy must be mutually agreed upon by the Chair of the Peer Review Committee and the Administrator.

### **MAINTENANCE OF APPROPRIATE RECORDS AND FILES**

The Administrator is responsible for the maintenance of the necessary records and files to support the operations of the NSAA External Peer Review Program. Documentation relating to various aspects of the external peer review program should be maintained for information purposes and to facilitate the performance of assigned duties and responsibilities.

Files should be established in order to accumulate and retain information in three major areas. These three areas are

1. formal documents used in the external peer review process
2. general information
3. specific state organization reviews

Each of these three areas will be discussed below.

#### *External Peer Review - Documents*

These documents should contain the formal, approved documents for the NSAA External Peer Review Program. These documents include:

- Introduction
- Policies and Procedures for the External Peer Review Program
- Administrative Policies and Procedures for the External Peer Review Program
- Forms Common to All Peer Reviews
- Documents for Financial Audit, Attestation Engagement, and Performance Audit External Peer Reviews
- Questions and Answers (one document for team members and another document for team leaders and concurring reviewers)
- Reporting Examples

These files should contain the current version of these documents as well as previous versions. A record of revisions made to previous documents should also be retained.

### *General Information*

General information concerning the external peer review process should be maintained in a central file. Information to be filed includes:

- general correspondence (not related to specific state reviews)
- blank forms
- financial statement information
- notes from meetings with NSAA members and NASACT staff
- database of potential team members
- schedules
- miscellaneous

### *External Peer Review – State Audit Organizations*

Separate files should be maintained for the external peer reviews conducted of each state audit organization. The file for each state reviewed should contain the following information:

- list of team members (names, addresses, and telephone numbers)
- signed contract
- detailed billing form
- invoice
- supporting documentation for invoice (copies of team members' expense reports, hotel bills, airline tickets, etc.)
- correspondence (i.e., guarantee to hotel, changes in due date of report, etc.)
- other pertinent information relating to specific circumstances.

In addition, the Administrator will prepare a permanent file for each organization reviewed that includes certain information on every review conducted on a particular state audit organization. The permanent file will include, among other things, the list of team members, the Peer Review Report, working papers documenting the audit engagement selection process, Matters for Further Consideration forms, Conclusions document, Findings for Further Consideration forms, and any documents related to, and rationales for, issuing a Peer Review Report with a rating of *pass with deficiency(ies)* or *fail*.

## **PROCEDURES FOR SCHEDULING AND DIRECTING AN EXTERNAL PEER REVIEW**

There are a number of specific steps to be performed in setting up and directing the external peer review of a state audit organization. The completion of each step is important in order to ensure the performance

of the external peer review in an effective and timely manner. The Coordinator generally performs these functions. Specific steps to be accomplished include:

1. initial interview with state requesting a review and designation of a contact person
2. establishment of the starting date of the field review
3. preparation of the contract between NASACT and the state audit organization to be reviewed
4. assignment of a team leader and concurring reviewer
5. provision of necessary information and materials to the team leader:
  - *Questions and Answers for Team Leaders and Concurring Reviewer*
  - informal welcome letter which includes name, phone number, and email address of state audit organization contact person
  - copy of team member "welcome letter"
  - copy of *External Peer Review Planning Sheet* completed by the audit organization being reviewed
  - previous peer review working papers, including permanent file
  - template for staff questionnaire analysis
  - copy of "reporting matrix"
  - report covers and stationary
  - copy of a signed contract
  - other pertinent information as the circumstances dictate
6. provision of necessary information and materials to the concurring reviewer:
  - *Questions and Answers for Team Leaders and Concurring Reviewers*
  - copy of *External Peer Review Planning Sheet* completed by the state audit organization being reviewed
  - copy of informal welcome letter to team leader
7. establishment of dates for the on-site preliminary visit (if applicable) with the team leader (and concurring reviewer if needed) to the state audit organization
8. assignment of review team members. Coordinator should provide the team leader and concurring reviewer with a listing of assigned team members (names, addresses, telephone numbers, and email addresses), team member qualifications sheets, and independence statements.
9. contact with team members, including emailing the "welcome letter"
10. set up travel arrangements for the review team
11. maintenance of contact with the team leader regarding the status of the external peer review
12. coordination with the Peer Review Committee Chair on technical matters, as needed
13. review and approval of team members' travel expense report for reimbursement
14. preparation and distribution of certificates of participation and thank you letters to all team members
15. preparation of billing to state audit organization reviewed and follow-up on subsequent payment
16. review of the recommendations for future team members, team leaders, and concurring reviewers and incorporate them into the respective "pools" for future assignments
17. update of the external peer review bank
18. collection and analysis of the evaluations of the external peer review process and procedures from the review team members and reviewed state audit organizations (annually, this analysis should be presented to the Peer Review Committee)
19. review, storage and retention of the review team working papers and update of the state audit organization's permanent file

A standard form has been developed to manage the completion of the aforementioned steps for scheduling and directing an external peer review. This form lists steps to be performed and provides a space for indicating the appropriate information. The use of this form enables the NASACT staff to maintain the current status of each review in process. A copy of this standard form, entitled "Status Report," has been included in Appendix I (pages III-15 - III-16). In addition, a separate guide referred to as the "External Peer Review Planning Sheet," has been designed to facilitate the initial contact with the state organization

requesting the review to be performed. A copy of this form is also included in Appendix I (pages III-17 - III-19).

### TIME FRAMES FOR EXTERNAL PEER REVIEWS

The effective performance of peer reviews requires substantial planning and preparation. The work of the review team must be performed within deadlines specified in the contractual agreement. Adherence to timing constraints is essential throughout the external peer review process. A time schedule for the administration of an external peer review is indicated below. This schedule sets forth general guidelines for the time frames involved in conducting an external peer review and should provide NASACT staff with a reference point for setting up and managing the reviews.

	4 Months in Advance	3 Months in Advance	2 Months in Advance	1 Month in Advance	Field Work Begins	1 Month After	2 Months After	3 Months After
Confirmation of the External Peer Review	←→							
Designation of Contact Person	←→							
Contract Process	←→							
Assignment of Team Leader	←→							
Assignment of Concurring Reviewer	←→							
Establish Field Work Dates			←→					
Preliminary Visit (if applicable)		←→						
Assignment of Team Members		←→						
Travel Arrangements			←→					
Field Work (8 days - large reviews) (5 days - small reviews)					←→			
Reimbursement to Team Members						←→		
Billing to State								←→
Assistance to Peer Review Team (as required)	←→							←→
Report Issued*								←→

\* Report must be issued by the end of the third month unless the contract states otherwise (i.e., the second month after the month in which the field work is performed.)

### CONTRACT

NASACT contracts with the state audit organizations for the performance of the peer reviews. Each contract should set forth the agreement between the two parties concerning the specific services to be performed. The obligations of each party to the contract should be clearly enumerated in order to avoid potential misunderstandings. The Coordinator is responsible for the preparation of the contractual agreement. The Coordinator is also responsible for the processing and ultimate distribution of the signed contract.

Due to the similarities between external peer review engagements, the use of a standard contract form appears to be appropriate. A standard form has been prepared and included in Appendix I (pages III-20 - III-22). This form may be used in its entirety after completion of the blank spaces, which primarily relate to specific names, dates, and amount of contract.

Although the use of the standard contract form is desirable, some state agencies may require different contractual provisions. Such circumstances may necessitate the preparation of a contract tailored to their

specific needs. In any event, the basic terms and obligations contained in the standard contract should not be changed. Consultation with the Peer Review Committee Chair may be required and it may be necessary to contact NASACT legal counsel in such situations.

To ensure that all contracted deadlines are met, NASACT staff should determine whether the review documents will be issued within those deadlines. If there is any indication that those deadlines will not be met for reasons within the review team's control, NASACT staff should contact the team leader and concurring reviewer to determine the status of the review documents both by telephone and in writing. A copy of that letter should be sent to the Peer Review Committee Chair who, at his or her discretion, may send a copy of the letter to the team leader's and concurring reviewer's organization head. If problems with issuing the review documents persist, the Peer Review Committee Chair will take whatever action he or she deems necessary, including contacting directly the team leader's and concurring reviewer's organization head. If, on the other hand, the delay is caused by the state audit organization, NASACT staff should obtain an extension to the contract deadlines from the state audit organization and notify the Peer Review Committee Chair if any problems persist.

### **FEES AND BILLINGS TO REVIEWED STATE AUDIT ORGANIZATION**

The state audit organization reviewed agrees to compensate NASACT as follows:

1. reimburse NASACT for travel, lodging, and other miscellaneous costs incurred by the review team members, and
2. an administrative fee of \$3,500

Payment will be made based upon two invoices submitted to the state audit organization after the performance of services. The first billing (50% of contract amount) will be billed at the completion of field work. The remainder will be billed after the issuance of the final Peer Review Report. The format for an invoice is included in Appendix I (page III-23).

The Coordinator is responsible for the preparation of the invoice to be sent to the state audit organization. The Administrator should review and approve the invoice. The preparation of the invoice requires the careful accumulation of actual cost data from team members, hotels, airlines, etc. These costs may be incurred during the preliminary visit (if applicable) or the field work phase of the review. In order to facilitate the accumulation of these costs, a detailed billing form has been prepared. This form should assist the Coordinator in determining the costs associated with each review and preparing the invoice for the state audit organization. A copy of the detailed billing form is presented in Appendix I (page III-24).

In addition to the actual expenses paid, a state audit organization receiving an external peer review is required over a three-year period to furnish experienced, active supervisors and managers equal to the staff resources involved in their external peer review to participate in external peer reviews of other state audit organizations. The Coordinator is responsible for maintaining appropriate records identifying which states "owe" staff resources to participate in external peer reviews and which states have a "credit" balance. The record of this activity is commonly referred to as the "external peer review bank."

The team leader is responsible for calculating credits for the bank. The following guidance should be used in computing the bank:

1. Each day worked of four or more hours will earn one credit per team member. No credit is granted for less than four hours worked in a day, with the exception of the day of the exit conference. A team member earns one credit for attending the exit conference regardless of the number of hours worked that day.
2. The team leader will be credited with 2 times (or 200%) the actual on-site days during the external peer review, including on-site days during a preliminary visit, if applicable.
3. The concurring reviewer will be treated as a team member for purposes of computing credits for the bank.
4. The actual days spent working on the external peer review at the state audit organization will be used to calculate credits for the bank. Please note the following:

- a. Credits are to be computed for on-site work only (do not include travel time)
- b. Preparation for the external peer review by team members in their home states should not be computed for purposes of the bank

To assist the team leader in making these computations, a form entitled "Bank Credit Computation Form" has been developed and can be found in Appendix I (page III-37).

The Coordinator will prepare a report on the status of the external peer review bank as deemed appropriate and will present this report to the Peer Review Committee on a periodic basis.

## **PREPARATION OF FINANCIAL STATEMENTS**

A statement of revenues and expenditures for the NSAA External Peer Review Program should be prepared by the NASACT Finance Manager and reviewed by the Administrator for presentation to the Peer Review Committee at the annual meeting of NSAA. This statement will reflect the fees earned and expenditures incurred relating to the external peer reviews performed for a specific period of time. The presentation of this statement should provide an indication of the activities and remaining balance of funds available for future operations.

## **RETENTION AND ACCESS TO REVIEW TEAM WORKING PAPERS**

NASACT is responsible for storage and retention of the review team's working papers at its office in Lexington, Kentucky. The working papers will be submitted to the Coordinator by the team leader. Transferring electronic files should be done in the most secure and efficient method available to mitigate the risk of unintended distribution to anyone other than those authorized to have access. The method used should be agreed to with NASACT staff. The Guides for Review of Audit Engagements and Audit Staff Questionnaires should not become part of the working papers, but should be retained by the team leader for a period of 90 days, after which they should be destroyed. Immediately following issuance of the Peer Review Report and if applicable, the Audit Organization's Response(s), the team leader should submit, in good form, all working papers to the Lexington office of NASACT. NASACT will be responsible for storage and retention of the working papers. These working papers should be retained until completion of a subsequent review of the state audit organization. However, the Administrator will prepare a permanent file for each state audit organization reviewed that includes, among other things, documents related to and rationales for issuing a Peer Review Report with a rating of *pass with deficiency(ies)* or *fail*.

The working papers of the external peer review team are considered confidential information. NSAA policies indicate that access to these working papers require the written approval of the state audit organization reviewed. Denial of requests for access to working papers by state audit organizations may be appealed. The appeal process to be followed is documented in the approved NSAA policies. The only exceptions to this policy are:

- the Peer Review Committee Chair or other members of the Committee who are appointed by the Chair to serve on a dispute resolution subcommittee
- team members, team leaders, and concurring reviewers performing subsequent reviews
- designated NASACT staff assigned to administer the review program

These individuals may need access to working papers to properly fulfill their duties and responsibilities.

## **SCHEDULES**

Schedules for conducting peer reviews should be maintained to indicate the timing and sequence of each review performed. The scheduling function is considered a critical element in the external peer review process. Two types of schedules should be prepared. These two schedules are as follows:

1. a current schedule for external peer reviews conducted to date and those reviews which have been confirmed for the next year

2. a planning schedule for reviews to be conducted on a long-range basis, usually three years in advance

The current schedule should contain the information listed below:

- name of state audit organization
- scope of the review (financial, attestation, and/or performance)
- dates for field work

This current schedule serves to facilitate the scheduling process and provides historical information for the reviews performed. The Coordinator should prepare a schedule using an appropriate format. The completed schedule should be retained and filed on an annual basis.

The current schedule should be prepared for a minimum of twelve months in advance. The schedule indicates those states which have requested a review to be performed on a tentative basis and requires frequent update and coordination with the state audit organizations.

The following information should be maintained concerning the planned reviews (if available):

- month of year
- dates of field work
- state audit organization to be reviewed
- scope of review
- state audit organization contact person
- interested team members
- notes and comments regarding specific aspects of the review

The coordinator should also prepare the long-range schedule using an appropriate format.

## ***Administrative Policies and Procedures***

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### ***Coordination and Assignment of the Review Team***

#### **DATABASE OF TEAM MEMBERS**

A database of potential team members should be maintained by NASACT staff. The existence of current information concerning potential team members should facilitate the process of assigning team members to the reviews. NASACT staff should periodically request the members of NSAA to recommend audit staff personnel to serve on review teams.

A profile indicating the general background and qualifications of each potential team member should be recorded for reference purposes. Specific information to be retained includes the following:

- name, address, telephone number, and email address
- state affiliation
- current position
- certification(s)
- areas of experience, i.e., financial, performance, attestation, and IT auditing
- types of entities audited
- years of supervisory experience
- previous participation in external peer reviews (including recommendations by team leaders and concurring reviewers for future participation on review teams)
- other comments as needed

The database should be searchable by the four areas of experience listed above. Separate listings or files should also be maintained for individuals qualifying as team leaders and concurring reviewers.

A standard form has been developed to assist in the accumulation of the necessary information regarding the qualifications of potential team members. A copy of this form has been included in Appendix I (page III-25 – III-26).

After the review, the team leader, in conjunction with the concurring reviewer, provides recommendations to NASACT staff concerning the participation of each team member on future review teams. A team member can be recommended to serve as a team leader or again as a team member. A recommendation can also be made for no participation on future review teams. Likewise, the concurring reviewer provides a recommendation to NASACT staff on the participation of the team leader on future reviews. A team leader can be recommended to serve as a team member, again as a team leader, or as a concurring reviewer. A recommendation can also be made that the team leader not serve on a future review team. These recommendations should be included in the data retained and used in future assignments. Recommendation forms are included in Appendix I (pages III-43 – III-45).

The review team will also be requested to complete an evaluation of the external peer review process. These evaluations should be used to help monitor and improve the external peer review program. A form has been developed for this purpose and is included in Appendix I (pages III-27 - III-28).

#### **ASSIGNMENT OF TEAM MEMBERS**

Review teams are composed primarily of state auditors and are complemented by federal auditors as needed. The primary role of the federal auditor on a peer review team is to review the state audit organization's Single Audit working papers and report(s). Specialists may be assigned to the review team if expertise in specific areas is required. Individuals assigned to the teams must meet the qualifications for review team members stated in the "Policies and Procedures for the NSAA External Peer Review Program."

The team leader and the concurring reviewer should be assigned as soon as possible after the review has been confirmed. The concurring reviewer should be designated at approximately the same time as the team leader in order to provide for immediate assistance to the team leader. After a preliminary visit (if applicable),

or discussions with the audit organization personnel, the team leader and the concurring reviewer should finalize their risk assessment and determine the number of engagements to be tested. The team leader and concurring reviewer should then determine, with the assistance of the Coordinator, the size and composition of the review team. After the Coordinator selects prospective team members, the team leader and concurring reviewer should assess the adequacy and experience of those selected to help ensure that the team, as a whole, has the necessary expertise. They should contact NASACT staff if any additions, deletions, or substitutions are necessary.

It is critical that the team leader, the concurring reviewer, and NASACT staff make every effort to ensure that the experience of the review team, as a whole, **matches** the types of engagements performed by the state audit organization being reviewed. Information from the database of potential team members, maintained by NASACT staff, is critical in the assignment process.

Input from the state audit organization concerning the assignment of team members should be obtained in determining the composition of the review team. In planning the review to provide the “best match” in terms of team experience, NASACT staff should determine from the state audit organization those states it believes are “peers” in terms of similar characteristics of various types of work performed. This is accomplished in planning the review by using the “External Peer Review Planning Sheet.” NASACT staff will attempt to select the team members from these “peer” states. If the state audit organization being reviewed believes that a potential team member comes from a state audit organization that does not have similar experience, it can request that NASACT staff select an individual from another state audit organization with more similar experience. Also, if requested by the state organization being reviewed, federal auditors should be assigned from the state's cognizant agency.

The Coordinator is responsible for making initial contacts with the individual team members assigned in order to introduce the team members to the external peer review process and to obtain necessary information for the review. Specific topics to be addressed are listed below:

- confirmation of dates and availability for external peer review
- discussion of qualifications of individual team members
- provision of a brief overview of the NSAA External Peer Review Program
- provision of the name and background of the review team leader/concurring reviewer
- indication of time frames
- discussion of travel policies
- subsequent contact by review team leader and materials to be emailed to team members
- follow-up contact to set up specific travel arrangements
- obtainment of current address, phone number and email address
- other comments, if necessary

A standard form has been developed to guide the Coordinator in the discussions with the team members. This form provides a mechanism to assure that all the aforementioned topics have been covered. A copy of this standard form is included in Appendix I (page III-29).

A listing of review team members should be prepared after the Coordinator has made initial contact with each team member assigned. This listing indicates the name, address, telephone number, and email address of the review team members, including the team leader and concurring reviewer. This listing should be furnished to the team leader in order to make his/her contacts with team members. A copy of the listing should also be maintained in the files at NASACT to document the composition of the review team.

In order to document their independence, all review team members--the team leader, individual team members, the concurring reviewer, and any specialists--should sign a statement of independence. The statement of independence should be completed upon the finalization of the review team. A standard form for this statement will be provided by NASACT staff for distribution by each review team member. The signed statements are returned to NASACT staff and are then sent to the team leader for inclusion in the working papers. A copy of this form has been included in Appendix I (page III-30).

## **TRAVEL ARRANGEMENTS**

Travel arrangements are generally made for the review team through a travel agent chosen by NASACT. The Coordinator notifies the travel agent of the team members via the team listing. The travel agent also arranges the travel requirements for the team leader and concurring reviewer for the preliminary visit, if applicable.

The travel policies of NASACT govern the travel of the external peer review team members. NASACT travel policies have been adapted to specifically address the external peer review experience. A copy of these modified travel policies has been included in Appendix I (pages III-31 - III-32).

Reimbursements for meals differ from the standard NASACT travel regulations. Team members are reimbursed for meals based on the federal CONUS rates for the city and state where the review is held. This per diem allowance appears reasonable and alleviates the problem of obtaining receipts for meals.

Adjustments to the per diem allowance may be made due to the particular locality of the review. However, changes to the per diem allowance require the approval of the Administrator, the Peer Review Committee Chair, and the state audit organization reviewed.

Reimbursements are made upon the submission of a travel expense report by individual team members. A copy of the current travel expense report is presented in Appendix I (page III-33). The Coordinator should ensure that each team member has an electronic version of the expense report. Individual team members are responsible for its completion.

In order to minimize the travel expense burden of individual team members and provide a more efficient method for handling the travel arrangements of the review team, the Coordinator generally handles all hotel reservations and payments. The Coordinator should make reservations for hotel accommodations of the individual team members and attempt to have a master billing sent to NASACT. Airline reservations for team members should be made by the travel agent with direct billing to NASACT, whenever possible. Reservations for rental cars should be handled by the travel agent. Those team members agreeing to be responsible for rental cars should submit the receipt on their expense report.

The Coordinator should always attempt to obtain the most reasonable rates for hotel accommodations, airfares, and rental cars in keeping with the purpose, comfort and safety of the peer review team. Government rates and discount fares should be attained, whenever reasonably possible. The state audit organization reviewed will be billed for actual travel costs incurred. Therefore, it is in the best interest of the state as well as the external peer review program in general, to exercise cost containment efforts.

## **REIMBURSEMENT OF TEAM MEMBERS' EXPENSES**

Review team members are reimbursed for expenses incurred during the course of a review based upon the submission of the travel expense report. The Coordinator is responsible for the review of the travel vouchers submitted by the team members and the Administrator is responsible for the approval of each voucher. Each travel voucher should be reviewed for compliance with the travel policies and for their mathematical accuracy. Approval of travel vouchers should be made as soon as possible after their receipt, in order to expedite the issuance of checks to reimburse the team members. The average lapsed time for issuance of a check from the date of receipt should be no longer than two weeks. Checks issued are mailed directly to the individual team members.

In addition to the responsibility for the review and approval of the travel vouchers for individual team members, the Coordinator is responsible for the review and approval of the charges for hotel accommodations and airline tickets, which are directly billed to NASACT. The billings should be reviewed for their propriety and approved for payment within the due dates specified.

**Training and Assistance**

**TECHNICAL ASSISTANCE TO REVIEW TEAMS**

Technical assistance to review teams is provided by the Peer Review Committee Chair and the Administrator, as required. This assistance should be furnished through all phases of the review – preliminary phase, field work, and the completion of the review. Assistance to the review team is particularly critical if any of the following situations should occur:

- a peer review report with a rating of *pass with deficiency(ies)* or *fail* is being considered by the review team
- the review may be discontinued before completion
- major difficulties are encountered or circumstances appear to indicate a significant departure from established policies and procedures

The Administrator should maintain contact with the team leader regarding the status of the review during each phase of the review.

**TRAINING OF TEAM MEMBERS**

*Government Auditing Standards* requires each review team member to have knowledge on how to perform a peer review. Such knowledge may be obtained from on-the-job training, training courses, or a combination of both.

The training of review team members is considered essential to the performance of effective reviews. To accomplish this goal, the Peer Review Committee has developed questions and answers documents for team members, team leaders and concurring reviewers. These documents contain the answers to the most frequently asked questions associated with this program. These documents should be read prior to the start of the review. When coupled with on-the-job training, the Peer Review Committee believes sufficient knowledge should be obtained to conduct a review. At the discretion of the Peer Review Committee, additional training may be scheduled from time to time. This additional training may be conducted as part of NSAA conferences (e.g., Middle Management) or through audio conferences.

***Appendix I: Sample Forms***

This appendix contains standard forms for use in the NSAA External Peer Review Program. These forms have been previously discussed in the text of this document and are presented here for illustration purposes.

**STATUS REPORT**  
**EXTERNAL PEER REVIEW OF THE STATE OF**

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Action:	Initial Request	Follow Up	Date Completed
1. Request state contact to complete <i>External Peer Review Planning Sheet</i> . Review and discuss with state contact.			
2. Establish review date (and date of on-site preliminary visit, if applicable).			
3. Prepare the contract (two signed copies should be sent to state auditor).			
4. Select team leader.			
5. Select concurring reviewer.			
6. Email proposed team leader and concurring reviewer qualification sheets to state contact for approval.			
7. Mail the following to the team leader: <ul style="list-style-type: none"> <li>- Prior peer review working papers, including permanent file</li> <li>- Report covers, letterhead and work paper covers</li> </ul>			
8. After consultation with the team leader and concurring reviewer, assign team members. Email proposed team members' qualification sheets to team leader and concurring reviewer for approval.			
9. Email proposed team members' qualification sheets (after approval by team leader and concurring reviewer) to state contact for approval.			
Team member name:			
10. Email the welcome letter, along with the following attachments to the team leader and concurring reviewer: <ul style="list-style-type: none"> <li>- <i>Questions and Answers for Team Leaders and Concurring Reviewers</i></li> <li>- Completed <i>External Peer Review Planning Sheet</i></li> <li>- Team list</li> <li>- Qualification sheets for all team members</li> <li>- Independence statement</li> <li>- Signed contract</li> <li>- Standard engagement letter template</li> <li>- Staff questionnaire analysis template</li> <li>- NSAA travel policies</li> <li>- Expense report template</li> <li>- Evaluation form</li> <li>- Team member recommendation form</li> <li>- Team leader recommendation form (attach to concurring reviewer email)</li> </ul>			
11. Email the welcome letter, along with the following attachments to team members: <ul style="list-style-type: none"> <li>- <i>Questions and Answers for Team Members</i></li> <li>- Team list</li> <li>- Independence statement</li> <li>- NSAA travel policies</li> <li>- Expense report template</li> <li>- Evaluation form</li> </ul>			
12. Set up travel arrangements for the review team: <ul style="list-style-type: none"> <li>- Arrange for direct billing at hotel</li> <li>- Email rooming list to hotel (and request meeting room if necessary)</li> <li>- Email team list to travel agent for arranging flights</li> <li>- Email hotel reservation confirmation information to team leader, concurring reviewer, and team members</li> </ul>			
13. Email letter to U.S. DHHS requesting federal auditor, if applicable.			
14. Scan and email signed independence sheets to team leader.			

Action:	Initial Request	Follow Up	Date Completed
15. Contact team leader (via email or phone) first or second day on site. Maintain communication as necessary throughout the review.			
16. Coordinate with the chair of the NSAA Peer Review Committee on technical matters arising during the review.			
17. Prepare first billing invoice and send to state audit organization on the last day of the on-site review. Prepare journal voucher for the NASACT finance manager.			
18. Approve team expense reports for payment.			
19. Prepare and distribute certificates of participation and thank you letters to the review team.			
20. When hotel bill arrives, check for accuracy.			
21. Prepare final billing invoice. Prepare journal voucher for finance manager.			
22. Review recommendations for future team members, team leaders, and concurring reviewers and incorporate into respective "pools" for future assignments.			
23. Review the Bank Credit Computation Form received from the team leader, and update the peer review bank.			
24. Collect and analyze evaluations of the peer review process and procedures from the review team and the reviewed state audit organization.			
25. Provide the work papers to the Peer Review Administrator for review. The Administrator should update the permanent file. Work papers will be stored for the future review.			

Per Diem Rate: \_\_\_\_\_ 75% Rate: \_\_\_\_\_ Max Hotel Rate: \_\_\_\_\_ Rate Obtained: \_\_\_\_\_

Last Contract Amount: \_\_\_\_\_ Actual: \_\_\_\_\_ This Contract Amount: \_\_\_\_\_

AICPA Government Audit Quality Center Member?

Comments:

### NSAA External Peer Review Planning Sheet

State: _____	Date Form Completed: _____
Agency Head Name: _____	Contact Name: _____
Address: _____	Phone: _____
_____	Email: _____
_____	
E-Mail: _____	

- Are the key deputies, peer review contact, and agency head familiar with the NSAA External Peer Review process?

#### Expected Scope of the Review

- What will the review period be? *Note: ultimately, the review period will be agreed upon jointly by the review team leader and the organization.*

Reports issued from: \_\_\_\_\_ To: \_\_\_\_\_

- When will the peer review on-site work be performed?

From: \_\_\_\_\_ To: \_\_\_\_\_

- Please indicate the **approximate** number of reports that are expected to be issued during the peer review period by type of entity and engagement. Include all types of reports the organization issues that are performed in accordance with professional audit standards (GAAS or GAGAS). This would not include reports issued by other auditors that the organization may oversee or re-publish for transparency or oversight purposes only.

	Estimated number of reports included in peer review period						
	Financial Audit	CAFR	Single Audit	Performance	Attestation		
					Examination	Review	AUP
a. Statewide							
b. State agencies or departments?							
b. Universities and colleges?							
c. Local governments:							
- Cities?							
- Counties?							
- School districts?							
- Other local?							
d. Other (please describe)?							
<b>ESTIMATED TOTAL</b>							

5. Are any of the following expected to be included in the scope of the review? Check all that apply:

Yes	No	
		Information Systems Performance or Attestation Engagements?
		Medicaid Program Audits (includes program audits, compliance reviews, provider reviews, fraud audits and agreed upon procedure reviews)?
		Financial audits of special purpose frameworks (AU-C 800; if so, please describe below)?
		Financial audits of individual funds, departments or agencies (2017 AAG-SLV 15.87-91)?
		Financial audits of individual statements, elements, accounts or items (AU-C 805)?
		Compliance reporting in connection with a financial statement audit (AU-C 806)?
		Financial audits of summary statements (AU-C 810)?
		Other specialized engagements performed under standards (if so, please describe)?

6. Are there any responsibilities (audit or otherwise) you would like excluded from the scope of the review?

7. Has the organization either started or discontinued performing any types of engagements or types of entities since the last peer review? If so, describe below.

8. Please indicate the approximate size and composition of your professional staff:

	Financial	Performance	Attest
a. Managers			
b. Supervisors / Seniors			
c. Staff			

**Scheduling & Team Considerations:**

9. What is the federal cognizant agency for your state?

10. Do you want a federal auditor assigned to the review team to represent this agency?

11. Is your office a member of the AICPA's Governmental Audit Quality Center?

12. What state audit organizations do you consider to be your closest "peers" in terms of organizational characteristics or types of engagements performed?

_____	_____	_____
_____	_____	_____
_____	_____	_____

13. Do you have any particular concerns, deadlines, or special considerations?

14. If audit documentation or other information needed by the peer review team is expected to include confidential or classified data, please describe any steps the peer review team will need to take in order to perform the review.
  
15. Would you like to receive copies of the supporting documentation (i.e., copies of invoices for the hotel, individual team member expense reports, etc.) included with your invoices?
  
16. Does your office use electronic working paper software? If yes, what software do you use?
  
17. What is your office's dress code?
  
18. What is the address of the office where the peer review team will be located (if different than the address listed above for correspondence)?
  
19. Will arrangements be needed for parking or building security (e.g., passes or key cards)?
  
20. What hotel(s) would you recommend for the team during the review?

CONTRACT BETWEEN THE STATE OF \_\_\_\_\_  
OFFICE OF THE \_\_\_\_\_ AND THE  
NATIONAL ASSOCIATION OF STATE AUDITORS, COMPTROLLERS  
AND TREASURERS

This contract, by and between the State of \_\_\_\_\_, Office of the \_\_\_\_\_, hereinafter referred to as the Auditor, and the National Association of State Auditors, Comptrollers and Treasurers (NASACT), hereinafter referred to as the Contractor.

Witnesseth: In consideration of the mutual promises herein contained, the parties have agreed to and do hereby enter into this contract according to the provisions set out herein:

A. The Contractor agrees to perform the following services:

1. To conduct a review of the audit and/or attest processes and procedures of the Auditor. This review shall include a review of the quality control policies and procedures established by the Auditor for performing audits or attestation engagements of state departments, institutions, agencies or other organizations subject to audit. The review will be conducted under the auspices of the National State Auditors Association (NSAA) by a review team selected by the Contractor. The Auditor shall notify the Contractor on the submitted Peer Review Planning Sheet, and no later than 90 days prior to commencement of the review, if the team is to include a member of the AICPA's Government Audit Quality Center. Upon proper notification, the Contractor will ensure the team complies with the staffing requirements of the AICPA's Government Audit Quality Center. The team will use the "Documents for Financial Audit, Attestation Engagement, and Performance Audit External Peer Reviews" to assess the quality of the audit effort. These materials have been approved by the membership of the NSAA.
2. To select engagements for review based on the scope of the review to be agreed upon between the Contractor and the Auditor.
3. To develop, upon completing the review, conclusions and recommendations and present, in draft form, a Peer Review Report expressing the results of the review. The report will be issued in draft form, reviewed with appropriate organization personnel, adjusted as necessary, and finalized.

The tests of compliance with quality control policies and procedures generally will be related to practices in effect for engagements issued between \_\_\_\_\_ and \_\_\_\_\_. The individual engagements selected for review shall be for the most recent period for which audit or attest reports have been published.

4. Contractor agrees to prepare a Peer Review Report.

Said Peer Review Report will attest to whether the Auditor's system of quality control has been suitably designed and complied with to provide the Auditor with reasonable assurance of performing and reporting in conformity with applicable professional standards. The Peer Review Report will be issued in draft form to the Auditor for response, if applicable. The Auditor's response will be referenced in the final Peer Review Report, if applicable. Ten copies, unless otherwise specified, of the Peer Review Report and if applicable, the Audit Organization's Response, will be delivered to the Auditor.

5. Contractor further agrees that the review will be conducted with due regard for any applicable professional ethics, including the requirements of confidentiality, and that no confidential information will be divulged by the Contractor to anyone not associated with the review, unless the Contractor is advised by counsel that the Contractor is under legal obligation to disclose such confidential information. In such event, Contractor will report to the Auditor such disclosures before any information is disclosed.

6. The Contractor agrees that these services shall be completed and a final Peer Review Report will be provided to the Office of the \_\_\_\_\_ on or before \_\_\_\_\_, 20\_\_.

B. The Auditor agrees to compensate the Contractor as follows:

1. The Auditor shall reimburse the Contractor for the cost of travel, lodging, and any miscellaneous expense of personnel (i.e., team members, team leader, concurring reviewer) working on this project. It is agreed that reimbursements shall be based upon NASACT travel regulations. In lieu of the cost of meals, reimbursement for meals is based on the federal per diem rates ([www.gsa.gov](http://www.gsa.gov)) for the city and state where the review is held. An administrative fee of \$3,500 will be added to cover administrative expenses.
2. Payment under the contract shall be (a) payment of 50% of the contract amount upon submission of invoice at the completion of field work; and (b) payment of the remainder upon submission of itemized invoice after issuance of the final Peer Review Report.
3. In no event shall the liability of the Auditor under this contract exceed \$\_\_\_\_\_.

C. The Auditor agrees to provide:

1. Adequate working space for the team
2. Any necessary office supplies and equipment to conduct the engagement
3. Access to the Auditor's electronic work paper or other systems necessary to perform the review
4. Complete and timely responses to team inquiries during the course of the review
5. Use of appropriate reference materials in the Auditor's technical library
6. Access to the office work area after hours and on weekends as necessary to expedite the review
7. Free use of telephone by the team leader to consult with the concurring reviewer before his arrival
8. Free use of the telephone by all team members for essential business calls to their home offices
9. Access to the internet for research and for email communications

D. Additional contract terms:

1. The Contractor warrants that no part of the contract amount provided herein shall be paid directly or indirectly to any officer or employee of the State of \_\_\_\_\_ as wages, compensation or gifts in exchange for services as an officer, agent, employee, subcontractor or consultant to the contractor in connection with any work contemplated or performed relative to this contract.
2. No person on the basis of handicap, race, color, religion, sex or national origin will be excluded from participation in, or be denied benefits of, or be otherwise subjected to discrimination in the performance of this contract, or in the employment practices of the Contractor.
3. The term of this contract shall be from \_\_\_\_\_ to \_\_\_\_\_.
4. This contract may be modified only by written amendment executed by all parties hereto.

It is expressly understood and agreed that this instrument contains the entire agreement between the parties and that, except as otherwise stated herein, there are no collateral conditions,

agreements or representations, all such having been incorporated and resolved into this agreement.

5. Other than as specified herein, no document or communication passing between the parties hereto shall be deemed a part of this agreement.
6. The Contractor shall not assign this contract or enter into subcontracts for any of the work described herein without obtaining prior written approval of the Auditor.
7. Contractor agrees to protect the confidentiality of any files, data or other materials provided by the Auditor and to restrict their use to purposes of performing this contract and none other. However, it is understood that the current external peer review team can have access to the prior review team's working papers in order to carry out their responsibilities.
8. The Auditor agrees to assume the responsibility to assure that the Contractor may have access to those files which Contractor deems necessary without violating any requirements relating to confidentiality. The Auditor also agrees to provide or make available to the Contractor all practice materials, files, documents and other data relating to the Auditor's work, including personnel and engagement files, which the Contractor considers necessary in connection with the review.
9. Time is of the essence in this contract and in case the Contractor shall fail to perform parts of the agreements at the time fixed for the performance of such respective agreements by the terms of this contract, the Auditor may terminate the contract. Such termination shall be in addition to, and not in lieu of, any other legal remedies provided by this contract or by law. This contract may not be terminated because of the expected results of the review.
10. It is understood and agreed that this contract shall be governed by the laws of the State of \_\_\_\_\_ both as to interpretation and performance regardless of the specific location of any performance.
11. To the extent allowed by law, the Auditor agrees to hold harmless and not take any action seeking to hold liable the Contractor or the review team including any staff, assistants, committees, or the review team's states, for any damages on account of any good faith act or omission, unless those damages arise from malice, gross negligence or recklessness. Also, the Auditor agrees not to subpoena any of those persons or organizations, or otherwise call them to testify, in any action to which they are not a party, with respect to any of the work performed, reports made or information acquired or developed in connection with this review.

IN WITNESS WHEREOF, the parties have executed this contract, consisting of three pages to be effective as of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Auditor  
State of \_\_\_\_\_

\_\_\_\_\_  
R. Kinney Poynter  
Executive Director, NASACT

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**National Association of State Auditors,  
Comptrollers and Treasurers**  
449 Lewis Hargett Circle  
Suite 290  
Lexington, KY 40503  
859-276-1147  
859-278-0507 (fax)  
[kyoung@nasact.org](mailto:kyoung@nasact.org)

# INVOICE

Date of invoice

**To:** Name and address of state auditor being reviewed

**Purpose:** Peer Review of the Office of the State Auditor

DESCRIPTION		
Hotel Accommodations  Travel  Team Member Reimbursements and shipping  Administrative Fee		\$
<i>Less First Billing (one half the amount as listed in Section B.3 of the contract)</i>	<b>SUBTOTAL</b>	\$
	<b>TOTAL DUE</b>	\$

Make checks payable to:

NASACT  
449 Lewis Hargett Circle  
Suite 290  
Lexington, KY 40503

If you have any questions concerning this invoice, call or email:

Kathleen Young  
Peer Review Coordinator  
859-276-1147  
[kyoung@nasact.org](mailto:kyoung@nasact.org)

**THANK YOU FOR PARTICIPATING IN THE NSAA EXTERNAL PEER REVIEW PROGRAM!**  
(Please return the yellow copy with your payment)

**DETAILED BILLING FORM**

External Peer Review of the State of: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Date of Review: \_\_\_\_\_

**Hotel Accommodations:**

Master Billing: \_\_\_\_\_

\$ \_\_\_\_\_

Other: \_\_\_\_\_

\_\_\_\_\_

SUBTOTAL

\_\_\_\_\_

\$ \_\_\_\_\_

**Airline Tickets:**

**Team Member:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
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SUBTOTAL

\_\_\_\_\_

**Team Member Reimbursements:**

**Team Member:**

\_\_\_\_\_  
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SUBTOTAL

\_\_\_\_\_

**Administrative Fee**

3,500.00

**Total Amount to be Billed**

\$ \_\_\_\_\_

**NSAA EXTERNAL PEER REVIEW PROGRAM**

**TEAM MEMBER QUALIFICATIONS SHEET**

Name: \_\_\_\_\_

Organization: \_\_\_\_\_

Business address:  
(street address) \_\_\_\_\_

Home address: \_\_\_\_\_

Business phone: \_\_\_\_\_ Fax number: \_\_\_\_\_

E-mail address: \_\_\_\_\_

Current title: \_\_\_\_\_

Certifications: \_\_\_\_\_

Degree: \_\_\_\_\_

Years of audit experience: \_\_\_\_\_

Years of supervisory experience: \_\_\_\_\_  
(must have a minimum of 3 years)

Types of entities audited in the last FIVE years: (e.g., state agencies, local govt., colleges, etc.)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Types of engagements performed in the last FIVE years: (e.g., financial, attestation, performance, IT, etc.)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Description of performance audit work performed in the last FIVE years: (e.g., economy and efficiency, program, policy analysis, etc.)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Do you review working papers as part of your supervisory responsibilities? \_\_\_\_\_ Yes \_\_\_\_\_ No

Which electronic working paper software do you use regularly?

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Prior peer review experience:

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Brief description of supervisory and auditing experience:

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Dates (e.g., months in the year) not available for team assignment:

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List (in order of preference) three states where you would like to serve on the peer review team:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

Is your office a member of the AICPA's Government Audit Quality Center?     Yes     No

Preferred accommodations:     non-smoking room     smoking room

Date form completed: \_\_\_\_\_

This document is intended to document the professional qualifications of auditors serving on the review team. This questionnaire will be filed with other workpapers developed as a part of the review.

#### CONFIRMATION BY STATE AUDIT ORGANIZATION PRINCIPAL

This individual meets the team member qualifications described in the "Policies and Procedures for the NSAA External Peer Review Program."

\_\_\_\_\_  
State Audit Organization Principal

\_\_\_\_\_  
Date

**NATIONAL STATE AUDITORS ASSOCIATION  
EXTERNAL PEER REVIEW PROGRAM**

**REVIEW TEAM'S EVALUATION FORM**

The NSAA Peer Review Committee would appreciate your comments concerning the external peer review program. Your comments are needed in order to evaluate and improve the current program. Please complete this evaluation form and mail or email it to:

NASACT  
ATTN: Peer Review Coordinator  
449 Lewis Hargett Circle, Suite 290  
Lexington, Kentucky 40503  
[kyoung@nasact.org](mailto:kyoung@nasact.org)

Name (optional): \_\_\_\_\_

1. Were travel arrangements and accommodations satisfactory?

\_\_\_\_\_ Yes    \_\_\_\_\_ No

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2. Did you feel adequately prepared before the external peer review began? If not, how could you have been better prepared?

\_\_\_\_\_ Yes    \_\_\_\_\_ No

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. Was the field work adequately planned and executed?

\_\_\_\_\_ Yes    \_\_\_\_\_ No

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4. Critique the documents used in conducting the external peer review, e.g., Audit Organization Questionnaire, Audit Staff Questionnaire, Audit Organization P&P and Review Guide, Audit/Engagement Review Guide, etc. What recommendations do you have for improvements?

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

5. Identify specific questions in the review documents that are not clear, inappropriate or need to be updated.

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

6. Was the scope and depth of the external peer review appropriate in the circumstances?

\_\_\_\_\_ Yes    \_\_\_\_\_ No

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

7. Did the Peer Review Report reflect the results of the review?

\_\_\_\_\_ Yes    \_\_\_\_\_ No

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

8. Indicate the general strengths and weaknesses of the external peer review program. What changes would you suggest to improve the program?

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**EXTERNAL PEER REVIEW OF THE STATE OF \_\_\_\_\_**

**Initial Discussions With Team Members**

TOPICS							
1. Confirm dates and availability for external peer review							
2. Discuss qualifications of team members - current position? - CPA or equivalent (financial only)? - financial, attestation, performance, IT auditing? - years of supervisory experience? - types of entities audited?							
3. Provide brief overview of NSAA External Peer Review Program and the state audit organization being reviewed.							
4. Provide name and background of team leader and concurring reviewer							
5. Indicate time frames							
6. Discuss travel policies - arrangements made by NASACT - hotel accommodations - airline - meals on per diem basis - other allowable expenses - reimbursements							
7. Discuss subsequent contact by team leader and materials to be emailed to team members.							
8. Discuss follow-up contact by NASACT personnel to set up specific travel arrangements.							
9. Date of discussion							

Other Comments:

**NSAA EXTERNAL PEER REVIEW PROGRAM**

**REVIEW OF THE OFFICE OF THE \_\_\_\_\_  
IN THE STATE OF \_\_\_\_\_**

**STATEMENT OF INDEPENDENCE**

I, \_\_\_\_\_ hereby certify that:

I hold no relationship of an official, professional, financial, or personal nature that might cause me to limit the extent of inquiry, to limit disclosure, or to weaken review findings in any way.

I hold no preconceived ideas toward the Office of State Auditor of the State of \_\_\_\_\_ or any group of individuals therein.

I have had no previous involvement in a decision-making or management capacity that would affect the current operations of the Office of the State Auditor of the State of \_\_\_\_\_.

I hold no biases, including those induced by political or social convictions that result from employment in, or loyalty to, a particular group, organization, or level of government.

I hold no other impairments which would restrict my independence in performing a peer review of the Office of the State Auditor of the State of \_\_\_\_\_.

***I understand that by typing my name and date below, I am certifying that I have read and understand the above statement of independence.***

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

**NATIONAL STATE AUDITORS ASSOCIATION  
EXTERNAL PEER REVIEW PROGRAM**

**TRAVEL AND REIMBURSEMENT POLICIES FOR THE REVIEW TEAM**

The Coordinator of the NSAA External Peer Review Program is responsible for making sure the travel arrangements for the review team are complete. Travel arrangements are generally made for the entire review team.

The travel policies of NASACT govern the travel of the external peer review team members. NASACT travel policies have been adapted to specifically address the external peer review experience. A summary of these policies is presented below.

**Travel Expense Report**

Reimbursements to team members are made upon the submittal of a travel expense report. A copy of the blank expense report can be found on page III-33. An electronic copy of the expense report can be obtained from the Coordinator. The travel expense report should be submitted to the Coordinator at the NASACT office as soon as possible after the completion of field work. Copies of all paid receipts (except meals) should be attached to the expense report. The address of the NASACT office is as follows:

NASACT  
449 Lewis Hargett Circle  
Suite 290  
Lexington, Kentucky 40503

Copies of the travel expense report and receipts may be faxed to (859) 278-0507 or emailed to the Coordinator. Any questions concerning travel policies and the completion of the travel expense report should be directed to NASACT staff at (859) 276-1147.

**Hotel Accommodations**

The Coordinator handles hotel reservations and payments. Direct billings of hotel expenses are made to NASACT for all team members. Team members are requested to review their individual charges for accuracy before checking out of the hotel. Evidence of their review and approval should be indicated by their signature at the bottom of the bill.

**Transportation**

*Airline* – The NASACT travel agent is responsible for handling airline reservations with direct billing to NASACT. The lowest discount fares are obtained whenever possible.

*Automobile* – Reimbursements for the use of personal cars is at the current rate approved by the Internal Revenue Service (IRS), plus tolls and parking charges. In the case of a trip over 500 miles, where the car is used by personal preference, reimbursement shall be equivalent to no more than the lowest discount air fare. A special exception to the 500-mile rule may be approved by the Administrator, the Peer Review Committee Chair, and the state audit organization reviewed, if a situation warrants this exception.

*Rental Cars* – Rental cars may be obtained only with the prior approval of NASACT staff. Whenever possible, NASACT staff should rent from companies which extend a government discount. Team members should purchase the accident insurance provided through the rental agency and include the cost of the rental car on their travel voucher. Rental cars may be reserved at the same time the team member is making his/her airline reservation with the NASACT travel agent.

## **Other Commercial Transportation**

Team members may use taxis, shuttles, or other means of public transportation in traveling to and from airports. An attempt should be made to secure the most economical methods of transportation. Receipts should be attached to the travel expense form.

## **Meals**

Reimbursement for meals is based on the federal CONUS per diem rates ([www.gsa.gov](http://www.gsa.gov)) for the city and state where the review is held. This per diem allowance appears reasonable and alleviates the problem of obtaining receipts for meals. Adjustments to the per diem allowance may be made due to the particular locality of the review. However, changes to the per diem allowance require the approval of the Administrator, the Peer Review Committee Chair, and the state audit organization reviewed.

## **Miscellaneous Expenses**

*Laundry and dry cleaning* are allowable expenses only in the case of a trip exceeding one week or in the case of accidents making such charges necessary. Team members are requested to incur only **reasonable** charges for such services.

*Telephone* charges are allowable. However, all telephone charges (personal and business) should be reasonable (e.g., review team members will not be reimbursed for charges incurred for connecting to the Internet at night while in their hotel room). One personal telephone call is allowable for each two days of consecutive travel. Extra calls may be made only in the case of emergencies. Business calls (i.e., to the reviewer's home state office) should be made as necessary. In all instances, it is expected that telephone calls will be kept reasonably brief.

## **Other Policies**

The state audit organization reviewed will be billed for actual travel costs incurred. Therefore, it is in the best interest of the state as well as the external peer review program as a whole to exercise cost containment efforts.

Team members are expected to stay during the entire field work phase of the review. If a team member must leave during field work before the completion of the review, that individual will not be allowed to return without the approval of the team leader. The team leader must notify NASACT staff before giving approval to a team member to leave or return to the review.

In the event the review team completes its work ahead of schedule and would like to leave early, team members will be reimbursed for any applicable cancellation fees (e.g., for obtaining a new airline ticket). However, before the team is allowed to leave, NASACT staff will analyze the overall costs to ensure that it is cost beneficial to the reviewed state audit organization for the team to leave early. That is, savings in hotel charges and per diem costs must outweigh the extra costs for airline tickets including any applicable cancellation fees.

**NATIONAL STATE AUDITORS ASSOCIATION  
EXTERNAL PEER REVIEW PROGRAM**

**EXPENSE REPORT**

Team Member Name: \_\_\_\_\_ Date Submitted: \_\_\_\_\_  
 Address: \_\_\_\_\_ Office Use Only: \_\_\_\_\_  
 \_\_\_\_\_ Reviewed by: \_\_\_\_\_  
 \_\_\_\_\_  
 City & State: \_\_\_\_\_ Approved by: \_\_\_\_\_  
 Zip Code: \_\_\_\_\_ Account No.: \_\_\_\_\_

State Reviewed _____ Date of Review _____	HOTEL	MEALS	TRANS	OTHER EXPENSES		TOTAL
				DESCRIP	AMOUNT	
Expenses Reimbursable to Team Member:						
TOTAL TO BE REIMBURSED						

SIGNATURE \_\_\_\_\_

NOTE: Attach copies of all paid receipts (except meals). The expense report and receipts may be faxed to 859-278-0507 or emailed to the Coordinator at [kyoung@nasact.org](mailto:kyoung@nasact.org).

*An electronic version of this form is available from the Coordinator.*



4. Do you believe the external peer review team examined an appropriate amount of work performed by your office to adequately report on the quality of that work? If the amount was considered to be excessive or insufficient, please explain.

\_\_\_\_\_ Yes    \_\_\_\_\_ No

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

5. Do you believe the Peer Review Report adequately reflects your system of quality control and compliance with that system?

\_\_\_\_\_ Yes    \_\_\_\_\_ No

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

6. Overall, do you believe the quality of your office's audit operations will improve as a result of the external peer review?

\_\_\_\_\_ Yes    \_\_\_\_\_ No

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

7. Please indicate the general strengths of the external peer review program.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

8. Please indicate any general weaknesses of the external peer review program. What changes would you suggest?

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9. Please indicate any other comments you might have regarding the external peer review program.

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**NSAA EXTERNAL PEER REVIEW PROGRAM  
BANK CREDIT COMPUTATION FORM**

State: \_\_\_\_\_

Date: \_\_\_\_\_

	Sat	Sun	Mon	Tues	Wed	Thurs	Fri	Sat	Sun	Mon	Tues	Wed	Thurs	Fri	Subtotal	Factor	Total
Team Leader																200%	
Concurring Reviewer																100%	
Team Member																100%	
Team Member																100%	
Team Member																100%	
Team Member																100%	
Team Member																100%	
Team Member																100%	
Team Member																100%	
Team Member																100%	
Team Member																100%	

The team leader is responsible for calculating credits for the external peer review bank. The following guidance, approved by the NSAA Peer Review Committee, should be used in completing this form:

1. Each day worked of four or more hours will earn one credit per team member. No credit is granted for less than four hours worked in a day, with the exception of the day of the exit conference. A team member attending the exit conference will earn one credit regardless of the number of hours worked that day.
2. The team leader will be credited with 2.0 (200%) times the actual on-site days during the external peer review, including time spent on site for a preliminary visit, if applicable.
3. The concurring reviewer will be treated as a team member for purposes of computing credits for the bank.

**Additional Guidance**

4. The actual days spent working on the external peer review at the state audit organization will be used to calculate credits for the bank. Please note the following:
  - a. Credits are to be computed for on-site work only (do not include travel time).
  - b. Preparation for the review by team members in their home states is not to be computed.

**NATIONAL STATE AUDITORS ASSOCIATION  
EXTERNAL PEER REVIEW PROGRAM**

**WORKING PAPERS REVIEW CHECKLIST**

Reviewed State: \_\_\_\_\_ Date of Peer Review: \_\_\_\_\_

Review Period: \_\_\_\_\_ Team Leader: \_\_\_\_\_

Concurring Reviewer: \_\_\_\_\_

WP Reviewer: \_\_\_\_\_ Date of WP Reviewer: \_\_\_\_\_

Review Procedures	Yes	No	N/A	Comments
<b>Preliminary Work</b>				
A. Review the working papers. Do they document:				
1. A sufficient knowledge of background information concerning the state audit organization?				
2. Period to be covered by the review?				
3. Engagement letter?				
4. Qualifications sheets?				
5. Independence statements?				
6. Summary of staff questionnaires?				
7. Basis for selecting engagements for review?				
8. Actual engagements selected for review?				
<b>Field Work</b>				
B. Based on an examination of the working papers, does it appear that the scope of the review covered a reasonable cross-section of the state audit organization's operations?				
C. Were all documents for a financial audit external peer review completed in a professional manner?				

Review Procedures	Yes	No	N/A	Comments
<p>D. Were all documents for an attestation engagement external peer review completed in a professional manner?</p> <p>E. Were all documents for a performance audit external peer review completed in a professional manner?</p> <p>F. Were all “no” answers appropriately referenced to a “Matters for Further Consideration” (MFC) form?</p> <p>G. Read the MFC form(s) to the extent considered necessary. Do the:</p> <ol style="list-style-type: none"> <li>1. Review team’s conclusions on the matters appear reasonable?</li> <li>2. Matters appear to have been given appropriate consideration in the preparation of the Peer Review Report?</li> </ol> <p>H. Review the “Conclusions” document for financial audits, attestation engagements, and performance audits. Are the review team’s conclusions adequately documented?</p> <p>I. Review the FFC form(s), if applicable. Are the findings supported by evidence in the working papers?</p> <p>J. If applicable, is the audit organization’s response included on the FFC form(s)?</p> <p>K. Is the exit conference adequately documented in the working papers?</p> <p>L. Did the team leader document the team’s rationales pertaining to issues contained in the Peer Review Report (step S.3 in the team leader’s standard work program)?</p> <p>M. Did the concurring reviewer confirm the appropriateness of the team’s rationales (step M. in the concurring reviewer’s standard work program)?</p>				

Review Procedures	Yes	No	N/A	Comments
<p><b>Reporting</b></p> <p>N. Does the Peer Review Report conform in form and content in all material respects with the guidance in NSAA's "Policies and Procedures?"</p> <p>O. If the Peer Review Report rating is <i>pass with deficiency(ies)</i> or <i>fail</i>:</p> <ol style="list-style-type: none"> <li>1. Are the reasons for the rating of <i>pass with deficiency(ies)</i> or <i>fail</i> supported by evidence in the working papers?</li> <li>2. Did the team leader and concurring reviewer consult with the Chair of the NSAA Peer Review Committee and the Administrator?</li> <li>3. Did the audit organization respond to the deficiency(ies) or significant deficiency(ies) and related recommendations, and is the response referenced in the peer review report?</li> </ol>				

**NATIONAL STATE AUDITORS ASSOCIATION  
EXTERNAL PEER REVIEW PROGRAM**

**Welcome Letter  
(NSAA Letterhead)**

MEMORANDUM

TO: Team Members

FROM: Chair, NSAA Peer Review Committee

DATE:

SUBJ.: Preliminary Work to be Completed Before You Arrive On-Site for the Peer Review of the Office of the State Auditor, State of \_\_\_\_\_

On behalf of the National State Auditors Association (NSAA), I want to thank you for agreeing to participate on the peer review of \_\_\_\_\_. I recognize and appreciate the fact that you and your state audit organization are committing a significant amount of your time and energy to this review. However, I am confident the insights you gain from conducting this review and the contacts and friendships you make with other professional staff in the audit field will reward you for all your efforts.

The objective of external peer reviews is to evaluate whether a state audit organization's system of quality control is (1) suitably designed, including adequately documented and communicated, and (2) being complied with in order to provide the state audit organization with reasonable assurance of conforming with applicable professional standards.

The peer review should be completed in a timely and cost-effective manner. To accomplish this objective, the review team must conduct as much of the review work as is possible before the field work phase begins. Before arriving at the review site, you are responsible for completing a number of steps. These steps are listed below. Most of this advance preparation which is essential to ensure the quality of the review involves reviewing and assessing the adequacy of the state audit organization's policies and procedures. To allow you to carry out these preliminary tasks, the organization being reviewed will be asked to provide you with all necessary information on a timely basis, including appropriate reference materials.

If you have any questions, please call Sherri Rowland, Peer Review Administrator or Kathleen Young, Peer Review Coordinator, at 859-276-1147.

- A. Review NSAA's Peer Review Program manual, which can be downloaded from NASACT's website or can be obtained from the Peer Review Administrator or Coordinator. Special attention should be given to NSAA's Policies and Procedures for the External Peer Review (Section II), travel policies contained in NSAA's Administrative Policies and Procedures (Section III), Forms Common to All Peer Reviews (Section IV) and Documents for Review of Financial Audits (Section V), Attestation Engagements (Section VI), and/or Performance Audits (Section VII).
- B. Review *Questions and Answers for All Team Members*.
- C. Review preliminary information provided by the team leader or by the organization being reviewed. These items should include:
  2. Copies of reports selected for review
  3. Copy of audit organization's policies and procedures manual
  4. Completed Audit Organization Questionnaire and Audit Organization's Policies and Procedures and Review Guide

- D. As assigned by your team leader, assess the adequacy of the organization's quality control policies and procedures and complete applicable portions of the Audit Organization's Policies and Procedures and Review Guide that can be completed off-site.

Note: You may be assigned to assess the adequacy of only certain quality control policies and procedures, but you need to be familiar with all the policies and procedures to adequately review the engagements assigned to you.

- E. Submit your completed portions of the Audit Organization's Policies and Procedures and Review Guide along with comments contained on the Matters for Further Consideration form to the team leader before arriving on-site. For those assessments that can only be made on-site, the original forms can be completed at that time.
- F. Review the preliminary results you receive from your team leader. These should include:
- a. Copies of other team members' preliminary assessments of the organization's quality control system and any comments made on the Matters for Further Consideration forms.
  - b. Team leader's analysis of the Audit Staff Questionnaires and any notes on the Matters for Further Consideration forms regarding potential weaknesses in the organization's quality control system or noncompliance with applicable professional standards.

Your team leader will contact you to discuss general information about the peer review process. In addition, your team leader will conduct an initial meeting with all team members to provide a brief orientation of the review process, review and discuss the results of the preliminary tasks, provide an overview of the organization's working paper documentation, and explain how you should document your review work.

Again, thank you and your organization for participating in NSAA's Peer Review Program. This program is designed to provide an independent, objective review of the audit organization's system of quality control and its adherence to applicable professional standards. The experience, judgment, and independence you bring to this review are critical to the continuing success and credibility of the Program. You have the full support of the NSAA Peer Review Committee as you carry out this important function. Please don't hesitate to call on any of the staff at NASACT if you have any questions about NSAA's peer review program.

cc: Team Leader  
Concurring Reviewer



8. Name: \_\_\_\_\_

\_\_\_\_\_ Team leader

\_\_\_\_\_ Team member

9. Name: \_\_\_\_\_

\_\_\_\_\_ Team leader

\_\_\_\_\_ Team member

10. Name: \_\_\_\_\_

\_\_\_\_\_ Team leader

\_\_\_\_\_ Team member

Completed by:

\_\_\_\_\_  
Team Leader

\_\_\_\_\_  
Concurring Reviewer

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**TEAM LEADER  
RECOMMENDATION FORM**

**EXTERNAL PEER REVIEW  
OF**

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**Instructions:** According to the Policies and Procedures for the NSAA External Peer Review Program, the concurring reviewer is required to make a recommendation to NASACT staff on whether the team leader should serve on another team either as a concurring reviewer, a team leader, a team member, or not in any capacity. If the concurring reviewer concludes that the team leader should not be considered to serve on another review, the concurring reviewer should not check any of the available choices (i.e., leave the selections "blank"). Please sign the recommendation form and return to the Peer Review Coordinator by mail to NASACT, 449 Lewis Hargett Circle, Suite 290, Lexington, Kentucky 40503, by fax to (859) 278-0507, or by email to [kyoung@nasact.org](mailto:kyoung@nasact.org).

**Recommendation for the Team Leader**

1. Name: \_\_\_\_\_

\_\_\_\_\_ Concurring Reviewer      \_\_\_\_\_ Team leader      \_\_\_\_\_ Team member

Completed by: \_\_\_\_\_  
Concurring Reviewer

Date: \_\_\_\_\_

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## Section IV

Forms Common to all Peer Reviews

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February 2021

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## **Forms Common to All Peer Reviews** **External Peer Review**

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The external peer review process involves a number of interrelated documents. Forms common to all peer reviews are contained in this section and identified below.

### **Completed by Audit Organization**

Audit Organization Questionnaire *(last updated October 2019)*

Audit Staff Questionnaire *(last updated February 2021)*

### **Completed/Compiled by Review Team and Team Leader**

Peer Review Workpaper Index *(last updated December 2019)*

Matters for Further Consideration form *(last updated June 2019)*

Finding for Further Consideration form *(created May 2013)*

The last document is the External Peer Review Report that the external peer review team drafts on the organization's overall quality control system and its satisfaction of the audit standards. (Examples can be found on pages II-33 through II-37.)

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**SAMPLE ENGAGEMENT LETTER**  
**NSAA Letterhead**  
**Date**

State Auditor  
Address

\_\_\_\_\_  
\_\_\_\_\_

Dear \_\_\_\_\_:

This letter will confirm our understanding of the arrangements for the external peer review of the State of \_\_\_\_\_, Office of \_\_\_\_\_, as enumerated in the contract between the Auditor and the National Association of State Auditors, Comptrollers and Treasurers (NASACT). The contract is an integral part of this engagement letter. The review will be conducted under the auspices of the National State Auditors Association (NSAA), in conjunction with NASACT, by a review team selected by NASACT staff. The team will follow the approved policies and procedures for external peer reviews, and will use those documents specifically prepared for NSAA external peer reviews to assess the quality of your \_\_\_\_\_<sup>1</sup> efforts. These materials have been recommended for use by the NSAA.

The scope of the review will include an assessment of the adequacy of and compliance with your organization's quality control policies and procedures for \_\_\_\_\_<sup>1</sup> conducted in accordance with *Government Auditing Standards*. Engagements selected will be from reports issued during the period \_\_\_\_\_ through \_\_\_\_\_. The review team will provide a peer review report. The conclusions expressed in this report will be based upon your organization's conformance with applicable professional standards and the adequacy of your organization's system of quality control. Findings and certain other matters will be discussed at the exit conference. Your audit organization will prepare a written response to any deficiencies that result in a peer review rating of *fail* or *pass with deficiency(ies)*, as well as those findings that have been communicated through a Finding for Further Consideration form.

During the course of this review, the review team will:

- (a) have full access to policies and procedures, documents, correspondence files, personnel files, audit reports and supporting audit documentation, and other pertinent documents
- (b) be allowed to interview persons associated with your organization and
- (c) be allowed to distribute and directly receive completed questionnaires from the staff.

The review team plans to begin on \_\_\_\_\_ and conclude on \_\_\_\_\_. The peer review report will be issued no later than \_\_\_\_\_.

The costs of the review will be billed and administered through NASACT.

If this letter correctly expresses your understanding, please sign and return one copy to me.

Sincerely,

Team Leader

ACCEPTED BY: \_\_\_\_\_

DATE: \_\_\_\_\_

\_\_\_\_\_  
<sup>1</sup> Indicate the types of engagements (financial audit, attestation engagement, and/or performance audit) covered by the review.

**Audit Organization Questionnaire**

**Purpose**

This questionnaire is designed to obtain information necessary to plan the peer review. Such information about audit staff and their qualifications, independence, follow-up on previous peer reviews, the internal quality assurance process and engagements would also be needed for the organization's internal quality control monitoring activities and is therefore expected to be available for external review.

**Instructions for Completing this Form**

All answers should be cross-referenced to source documents, as necessary, for easy reference by the external peer review team leader and members. In addition, please provide electronic copies or hyperlinks to source documents cited in the answers. Unless otherwise specified, all questions are in relation to matters existing during or subsequent to the peer review period up to the date the questionnaire is completed. Certain questions are limited to matters that are significant. Information is considered significant if it is probable that the judgment of a reasonable person relying on the information would be changed or influenced.

Questions about this questionnaire should be directed to your assigned peer review team leader.

Audit Organization Under Review: \_\_\_\_\_

Date Questionnaire Completed: \_\_\_\_\_

Name of Person(s) Who Completed It: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## Audit Staff and Qualifications

1. Please provide a current organizational chart showing the principal units of your organization and, for each unit, its major responsibilities and the name of the person heading it.
  
2. Please provide a list of all **professional** staff who are subject to CPE requirements, separated into six groups: financial audit staff, attestation engagement staff, performance audit staff, IS audit staff, technical support staff (such as methodologists, technical researchers, etc.) and other (please specify). Under each group, show:
  - a. Staff member's name
  - b. Job title
  - c. Organizational unit
  - d. Email address
  - e. College degrees obtained (by subject area)
  - f. Any professional certifications (such as CPA, CISA, CIA and CMA)
  - g. Designation as the organization's "expert" in a particular area
  
3. What is your organization's two-year period for determining compliance with continuing professional education as applicable to the peer review period (GAGAS 3.76) (4.16 in the 2018 Yellow Book)?

Fixed-Year Measurement Period or  Rolling-Year Measurement Period

From: \_\_\_\_\_ To: \_\_\_\_\_

## Independence

4. Please indicate which of the following structural safeguards enumerated in GAGAS 3.28-3.30 [3.53-3.55 in the 2018 Yellow Book] are in place to demonstrate organizational independence. If different safeguards are used to demonstrate organizational independence for different types of engagements, check all that apply.

Mark if applicable	Safeguard	GAGAS Criteria
	The audit organization is at a level of government other than the one of which the audited entity is part	3.28.a [or 3.53a in the 2018 YB]
	The audit organization is placed within a different branch of government from that of the audited entity	3.28.b [or 3.53b in the 2018 YB]
	The head of an audit organization is directly elected by voters of the jurisdiction being audited	3.29.a [or 3.54a in the 2018 YB]
	The head of an audit organization is elected or appointed by a legislative body, subject to removal by a legislative body, and reports the results of audits to and is accountable to a legislative body	3.29.b [or 3.54b in the 2018 YB]
	The head of an audit organization is appointed by someone other than a legislative body, so long as the appointment is confirmed by a legislative body and removal from the position is subject to oversight or approval by a legislative body, and reports the results of audits to and is accountable to a legislative body	3.29.c [or 3.54c in the 2018 YB]
	The head of an audit organization is appointed by, accountable to, reports to, and can only be removed by a statutorily created governing body, the majority of whose members are independently elected or appointed and are outside the organization being audited.	3.29.d [or 3.54d in the 2018 YB]
	Meets all criteria of GAGAS 3.30 [or 3.55 in the 2018 YB], including documentation of how each required safeguard was satisfied and in place.	3.30 [or 3.55 in the 2018 YB]

5. For whichever structural safeguard is marked as applicable above, provide supporting explanations and documentation (hyperlinks to constitutional provisions, statutes, etc.) to evidence that the safeguard is in place.
6. Please provide the following information for the current head of the audit organization:

Name and Title:	
Length of Service in Position:	
Previous Position(s) held during last 5 years:	
Government organizations (boards, commission, etc.) in which the organization head participates, and the organization head's position, if any, in each organization	

7. Were there any structural limitations to performing engagements, such as in the number and quality of staff, lack of office space, travel restrictions or limited access to records? If so, describe the limitations and impact, if any, on the performance of engagements in your organization.
8. Does your organization provide nonaudit services? If so, describe the organization's quality controls to identify and evaluate nonaudit services.

#### **Follow-up on Previous Reviews**

9. Provide the status of any findings for further consideration (FFC) identified during the previous peer review and a description of any corrective actions taken by the audit organization. If it was the determination of the audit organization that further actions were not necessary, include a summary of the reason(s) for this conclusion. If the organization prefers to communicate about these matters verbally, please arrange for a meeting with your assigned peer review team leader.
10. Provide a list of other relevant external reviews of your audit organization, such as reviews by a federal agency that occurred since the last peer review. Provide a summary of significant findings/issues identified and any corrective actions taken by the audit organization.

#### **Policies and Procedures**

11. Are there any types of engagements not covered by the policies and procedures due to the rarity of those engagements?
12. Do you use quality control materials (pre-packaged work-papers) created by a recognized third-party vendor for your audit work (e.g., PPC, ProFX, Caseware or other source)? If so, please identify the product used and briefly describe any substantial modifications made.
13. Are there any instances where you have deviated from your policies and procedures (e.g., for a particular engagement or type of engagement or during a particular timeframe)?

### **Internal Quality Assurance Process**

14. Monitoring of quality is an ongoing, periodic assessment designed to provide management with reasonable assurance that the policies and procedures related to the system of quality control are suitably designed and operating effectively in practice. Briefly answer the following questions on your organization's quality control monitoring process. Alternatively, if these questions are addressed in an annual quality control plan, please provide a copy of this plan.
- a. Do you have a person or department that is responsible for overall quality control monitoring activities? If so, please provide name and contact information.
  - b. Briefly describe the process for monitoring compliance with independence requirements at the engagement and individual level, including who is assigned responsibility for monitoring activities.
  - c. Briefly describe the process for monitoring compliance with continuing professional education requirements, including who is assigned responsibility for monitoring activities.
  - d. For each engagement type, briefly describe whether standard workpaper templates, forms or checklists are maintained and who is assigned this responsibility.
15. Audit organizations should analyze and summarize the results of its quality control monitoring process annually in accordance with GAGAS 3.95 [5.44 in the 2018 Yellow Book]. Please provide the peer review team with a copy of the results of your organization's most recent annual quality control monitoring activities.

### **Engagements Subject to Peer Review**

16. To whom does your organization report the results of engagements within the scope of the peer review? (If your organization reports the results to more than one group, please specify the groups and the types of audits or attestation engagements reported to each.)
17. If the State's Single Audit is included in the scope of the peer review, describe how your organization has implemented the Single Audit Act. (For example, statewide or by department, biennial or annual, contracted or conducted in-house, etc.)

18. For the types of engagements that are subject to the peer review, please describe any aspects of the work that have changed significantly since the last peer review:

[y/n] Change in statutory responsibilities? If yes, please describe.

[y/n] New Agency Head?

[y/n] Turnover or vacancy in key management or quality control positions?

[y/n] Significant (>15%) turnover in audit staff in any year?

[y/n] New types of engagements performed? If yes, please describe.

[y/n] Significant change in methodology or procedures? If yes, please describe the change and which types of engagements it affects.

[y/n] Significant (>25%) increase or decrease in the number of engagements performed for any particular type? If yes, please describe.

[y/n] Other significant risk factor(s)? If yes, please describe.

19. Please provide a list of all reports issued by your organization during the peer review period that are subject to the peer review. For each engagement listed, please provide the following information:

- a) Audit number or other control number used by the audit organization
- b) Auditee name or audit title
- c) Type of engagement (performance, financial, attestation, other)
- d) Manager
- e) Supervising auditor
- f) Audit period end
- g) Report issue date
- h) Number of audit hours (or days)

If there is other relevant information about the audit that is tracked by the audit organization, consult with your assigned peer review team leader about whether it should be included in the list.

20. If your organization terminated any audits or attestation engagements without issuing reports for them during the time period noted above, please provide a separate list of those audits and attestation engagements, by type of audit or attestation engagement, together with the reasons why they were terminated.

## **Audit Staff Questionnaire**

### **Purpose**

This questionnaire is designed to determine whether your audit organization's quality control policies and procedures have been communicated to the audit staff. It also asks staff members a number of questions about your organization's adherence to those policies and procedures, based on their own experiences. This questionnaire is applicable if your audit organization conducts financial audits, attestation engagements, performance audits, or a combination of the three.

Negative responses to this questionnaire will not be viewed in isolation. After all, a small number of them may represent an isolated occurrence, a lack of knowledge or understanding by a staff member, or a personality conflict with other staff members. On the other hand, a significant number of responses indicating that staff were not informed of some policies and procedures, or they knew of some important aspects of those policies and procedures that were not being followed, may indicate a potential weakness in your organization's quality control system or its communication efforts. In such cases, the external peer review team would explore the potential problem areas in greater detail when they arrived on-site for their review.

The questionnaire results will be used by the external peer review team, along with evidence gathered during their review of the organization's quality control policies and procedures and a sample of audits and attestation engagements, to help evaluate your organization's compliance with its quality control policies and procedures and with applicable professional standards.

### **Instructions**

The following page provides a sample memorandum letter that should be used to transmit the questionnaire from the head of the audit organization to the audit staff. The questionnaire is presented on pages that follow the sample letter. Copies of the transmittal letter and the questionnaire should be distributed to each staff member, including those staff in managerial roles. All responses will be confidential. If the organization has a very large staff, the team leader may decide to survey a representative sample of staff members.

This questionnaire asks questions on the general standards as well as a separate series of questions for financial audits, attestation engagements, and performance audits. For each question, staff are asked to check the appropriate responses, based on their own experiences or knowledge. The external peer review team leader will analyze the responses to the questionnaire by staff position, length of service and type of staff (predominantly financial, attestation, or performance) and will provide the summary results to the external peer review team before the on-site review begins.

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**SAMPLE: AUDIT ORGANIZATION'S LETTERHEAD**

**MEMORANDUM**

Date:

To: All Audit Staff

From: (Head of Audit Organization Being Reviewed)

Subject: External Peer Review - Audit Staff Questionnaire

As required by Government Auditing Standards, and as part of our efforts to ensure that we maintain high standards for our work, I have requested that this office be reviewed by an independent external peer review team from other audit organizations.

It is important that the review team be able to assess your understanding of our organization's policies and procedures and obtain your views in a number of areas where you may have had direct experience. To gauge your understanding, you may be asked to complete a questionnaire. If selected, you will receive an email from the Peer Review Team Leader containing a link to the electronic questionnaire.

The distribution of, and responses to, this questionnaire will be confidential and be viewed only by the peer review team. Any questions about the questionnaire should be directed to **(team leader), (team leader's email address)**.

I appreciate your assistance in completing this questionnaire.

**External Peer Review of  
a Government Audit Organization**

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**Audit Staff Questionnaire**

**Purpose**

The National State Auditors Association’s external peer review program is designed to provide an independent assessment of an audit organization’s system of quality control. Such a system consists of the organization’s organizational structure and the policies and procedures it has established to provide the audit organization with reasonable assurance that the organization and its personnel comply with professional standards.

This questionnaire is designed to determine the extent to which your audit organization’s quality control policies and procedures have been effectively communicated to you, and to obtain your views about a number of factors related to your organization’s adherence to those policies and procedures. An external peer review team will use the summary results to help assess whether your organization’s internal quality control system is in place and operating effectively. The responses will be analyzed separately for financial audit, attestation engagement, and performance audit staff.

This questionnaire asks questions on the general standards as well as a separate series of questions on applicable professional standards for financial audits, attestation engagements, and performance audits. Indicate whether your work is **predominantly** related to financial audits, attestation engagements, or performance audits and answer the questions in the appropriate sections of this questionnaire based on your work responsibilities. For example, if you are predominantly a financial auditor, answer the section on general standards as well as the sections addressing professional standards for financial audits.

**Please answer the questions based only on your own knowledge or experiences.** All responses to this questionnaire will be confidential. Additional space is provided at the end of each unit of questions if you wish to comment on your response.

**PART I: Information About You**

Name of Audit Organization: \_\_\_\_\_

Your Group, Section or Unit: \_\_\_\_\_

Your Name (which will remain confidential): \_\_\_\_\_

Your Job Title or Grade: \_\_\_\_\_

The work you do is **predominately** related to which of the following:

<u>Financial Audits</u>	<u>Attestation Engagements</u>	<u>Performance Audits</u>	
Do you have any supervisory responsibilities?			
	Yes _____	No _____	
If yes, how many people do you supervise?			
		# of people _____	
Years of Service in the Audit Organization:			
(check one)			
_____ < 1 year	_____ 1-5 years	_____ 6-10 years	_____ > 10 years

**PART II. Questions About Your Knowledge and Experiences**

Please check the response that best describes your answer. Note that **Yes = yes or always; M/T = most of the time or mostly; Some = sometimes or somewhat; No = no or never; No Opinion = no knowledge or experience.**

	Yes	M/T	Some	No	No Opinion
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**GENERAL REQUIREMENTS (to be completed by all staff)**

**Independence**

1.1	Have your audit organization's policies and procedures relating to auditor independence been explained to you? (GAO 3.18, 3.20)	_____	_____	_____	_____	_____
1.2	To your knowledge, is the conceptual framework approach to independence applied at the audit organization, engagement team, and individual auditor levels to identify threats to independence, evaluate the significance of the threats identified (both individually and in the aggregate), and apply safeguards as necessary to eliminate the threats or reduce them to an acceptable level? (GAO 3.27)	_____	_____	_____	_____	_____
1.3	When identifying and evaluating threats to independence, are the following broad categories of threats evaluated: (GAO 3.30)					
	a. Self-interest threat?	_____	_____	_____	_____	_____
	b. Self-review threat?	_____	_____	_____	_____	_____
	c. Bias threat?	_____	_____	_____	_____	_____
	d. Familiarity threat?	_____	_____	_____	_____	_____
	e. Undue influence threat?	_____	_____	_____	_____	_____
	f. Management participation threat?	_____	_____	_____	_____	_____
	g. Structural threat?	_____	_____	_____	_____	_____
1.4	If a threat to independence was identified, were safeguards considered that could possibly eliminate or reduce the threat to an acceptable level? (GAO 3.32)	_____	_____	_____	_____	_____
1.5	In your opinion, if questions have arisen about independence during any audits or attestation engagements you've participated on, have they been promptly resolved? (If no independence questions have arisen to your knowledge, please answer No Opinion.)	_____	_____	_____	_____	_____

Comments:

**Professional Judgment**

	Yes	M/T	Some	No	No Opinion
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1.6 Have you been informed of your audit organization’s policies and procedures regarding the use of professional judgment in planning and conducting the engagement and in reporting the results? (GAO 3.109)

\_\_\_\_\_

1.7 In your opinion, has professional judgment been used in planning and performing audits, and reporting the results of audits in which you participated? (If you do **not** answer **Yes**, please elaborate in the comments section)

\_\_\_\_\_

Comments:

**Competence**

1.9 In your opinion, has management assigned auditors to conduct engagements who before beginning work on the engagement collectively possessed the competence needed for their assigned role? (GAO 4.02-.03)

\_\_\_\_\_

1.8 To your knowledge, does your audit organization have a process for recruitment, hiring, continuous development, assignment, and evaluation of personnel so that the workforce has the essential knowledge, skills, and abilities necessary to conduct the engagement? (GAO 4.04)

\_\_\_\_\_

1.10 Have you been informed of your organization’s policies and procedures regarding the continuing professional education requirements that affect you? (GAO 4.16-.17)

\_\_\_\_\_

Comments:

**Quality Control and Assurance**

1.11 Have your organization’s quality control policies and procedures been communicated so that you understand the quality control system and any specific procedures that apply to you? (GAO 5.04):

\_\_\_\_\_

1.12 In your opinion, have your organization’s quality control policies and procedures been followed to your knowledge during the engagements you’ve participated on? (If you answer **M/T**, **Some**, or **No**, please elaborate in the comments section.)

\_\_\_\_\_

Comments:

	Yes	M/T	Some	No	No Opinion
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**FINANCIAL AUDITS (to be completed by financial audit staff)**

**General Principles and Responsibilities**

**Overall Objectives of the Independent Auditor**

2.1 Have you been informed of the following overall objectives of the auditor in conducting an audit of financial statements: (AU-C 200B.12)

a. To obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, thereby enabling the auditor to express an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with an applicable financial reporting framework?

b. To report on the financial statements and communicate, as required by generally accepted auditing standards, in accordance with the auditor's findings?

_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Comments:

**Quality Control for an Engagement Conducted in Accordance with Generally Accepted Auditing Standards**

2.2 In the audits you have participated on, did the engagement partner (or person responsible for the audit engagement) take responsibility for the following: (AU-C 220B.17-.20)

a. The direction, supervision, and performance of the audit engagement?

b. The auditor's report being appropriate in the circumstances?

c. The reviews being performed in accordance with the audit organization's review policies and procedures?

d. Undertaking appropriate consultation on difficult or contentious matters?

_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Comments:

**Audit Documentation**

	Yes	M/T	Some	No	No Opinion
2.3 Have you been informed of your audit organization's policies and procedures requiring audit documentation to be prepared on a timely basis? (AU-C 230B.07)	_____	_____	_____	_____	_____
2.4 Have you been informed of your organization's policies and procedures regarding controls over the form, content, and extent of audit documentation sufficient to enable an experienced auditor, having no previous connection with the audit, to understand: (AU-C 230B.08-.12)					
a. The nature, timing, and extent of the audit procedures performed?	_____	_____	_____	_____	_____
b. The results of the audit procedures performed, and the audit evidence obtained?	_____	_____	_____	_____	_____
c. Significant findings or issues arising during the audit, the conclusions reached thereon, and significant professional judgments made in reaching those conclusions?	_____	_____	_____	_____	_____
2.5 Have you been informed of your organization's policies and procedures regarding controls over audit documentation, including documenting the justification for a departure from a relevant presumptively mandatory requirement, and how the alternative audit procedures performed were sufficient to achieve the intent of that requirement? (AU-C 230B.13)	_____	_____	_____	_____	_____
2.6 Have you been informed of your organization's policies and procedures regarding documenting the following if the auditor performed new or additional audit procedures or formed new conclusions after the date of the auditor's report: (AU-C 230B.14)					
a. The circumstances encountered?	_____	_____	_____	_____	_____
b. The new or additional audit procedures performed, audit evidence obtained, and conclusions reached, and their effect on the auditor's report?	_____	_____	_____	_____	_____
c. When and by whom the resulting changes to audit documentation were made and reviewed?	_____	_____	_____	_____	_____
2.7 Have you been informed of your organization's policies and procedures regarding the assembly and retention of the final audit file, including: (AU-C 230B.15-.19)					
a. Documenting the report release date in the audit documentation?	_____	_____	_____	_____	_____

	Yes	M/T	Some	No	No Opinion
b. Completing and assembling the final audit file no later than 60 days following the report release date?	_____	_____	_____	_____	_____
c. Documenting when and by whom the audit documentation was created, changed, or reviewed?	_____	_____	_____	_____	_____
d. Maintaining the confidentiality of client information?	_____	_____	_____	_____	_____

Comments:

**Consideration of Fraud in a Financial Statement Audit**

2.8 Have you been informed of your organization's policies and procedures that require the auditor to: (AU-C 240B.10)

a. Identify and assess the risks of material misstatement of the financial statements due to fraud?	_____	_____	_____	_____	_____
b. Obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses?	_____	_____	_____	_____	_____
c. Respond appropriately to fraud or suspected fraud identified during the audit?	_____	_____	_____	_____	_____

Comments:

**Consideration of Laws and Regulations in a Financial Statement Audit**

2.9 Have you been informed of your organization's policies and procedures that require, as part of obtaining an understanding of the entity and its environment, the auditor to obtain a general understanding of the following: (AU-C 250B.12)

a. The legal and regulatory framework applicable to the entity and the industry or sector in which the entity operates?	_____	_____	_____	_____	_____
b. How the entity is complying with that framework?	_____	_____	_____	_____	_____

Comments:

**The Auditor's Communication With Those Charged With Governance**

	Yes	M/T	Some	No	No Opinion
2.10 Are you aware of your organization's policies and procedures that require the auditor to determine the appropriate person(s) within the entity's governance structure with whom to communicate? (AU-C 260B.07)	_____	_____	_____	_____	_____
2.11 Are you aware of your audit organization's policies and procedures that require the auditor to communicate the following to those charged with governance: (AU-C 260B.10-.14)					
a. The auditor's responsibilities with regard to the financial statement audit?	_____	_____	_____	_____	_____
b. An overview of the planned scope and timing of the audit?	_____	_____	_____	_____	_____
c. Significant findings or issues from the audit?	_____	_____	_____	_____	_____

Comments:

**Communicating Internal Control Related Matters Identified in an Audit**

2.12 Have you been informed of your organization's policies and procedures for communicating in writing to those charged with governance on a timely basis significant deficiencies and material weaknesses identified during an audit, including those that were remediated during the audit? (AU-C 265B.11)	_____	_____	_____	_____	_____
2.13 Have you been informed of your organization's policies and procedures for communicating to management at an appropriate level of responsibility, on a timely basis: (AU-C 265B.12)					
a. In writing, significant deficiencies and material weaknesses that the auditor has communicated to those charged with governance, unless it would be inappropriate to communicate directly to management in the circumstances.	_____	_____	_____	_____	_____
b. In writing or orally, other deficiencies in internal control identified during the audit that have not been communicated to management by other parties and that, in the auditor's professional judgment, are of sufficient importance to merit management's attention.	_____	_____	_____	_____	_____

Comments:

**Planning an Audit**

	Yes	M/T	Some	No	No Opinion
2.14 Have you been informed of your organization's policies and procedures for planning audits? (AU-C 300B)	_____	_____	_____	_____	_____
2.15 To your knowledge, has the planning for the audits you have participated on included: (AU-C 300B.06-.12)					
a. Performing preliminary engagement activities (e.g., evaluating compliance with ethical requirements and establishing an understanding of the terms of the engagement)? (AU-C 300B.06)	_____	_____	_____	_____	_____
b. Establishing an overall audit strategy for the audit? (AU-C 300B.07-.08)	_____	_____	_____	_____	_____
c. Preparing a detailed audit plan? (AU-C 300B.09)	_____	_____	_____	_____	_____
d. Determining the extent of involvement of professionals possessing specialized skills? (AU-C 300B.12)	_____	_____	_____	_____	_____
2.16 In your opinion, have the audits you've participated on been adequately planned so that they will be performed in an effective manner?	_____	_____	_____	_____	_____

Comments:

**Understanding the Entity and its Environment and Assessing the Risks of Material Misstatement**

2.17 Have you been informed of your organization's policies and procedures for performing risk assessment procedures to provide a basis for the identification and assessment of risks of material misstatement at the financial statement and relevant assertion levels? (AU-C 315B.05-.06)	_____	_____	_____	_____	_____
2.18 Have you been informed of your organization's policies and procedures that require the auditor to gain an understanding of the entity and its environment, including the entity's internal control to identify and assess risks of material misstatement and to design and perform further audit procedures? (AU-C 315B.12-.26)	_____	_____	_____	_____	_____
2.19 Are you aware of your organization's policies and procedures that require the auditor, after identifying the risks of material misstatement, to: (AU-C 315B.27-.29)	_____	_____	_____	_____	_____

	Yes	M/T	Some	No	No Opinion
a. Assess the identified risks and evaluate whether they relate more pervasively to the financial statements as a whole and potentially affect many assertions?	_____	_____	_____	_____	_____
b. Relate the identified risks to what can go wrong at the relevant assertion level, taking into account relevant controls that the auditor intends to test?	_____	_____	_____	_____	_____
c. Consider the likelihood of misstatement, including the possibility of multiple misstatements, and whether the potential misstatement is of a magnitude that could result in a material misstatement?	_____	_____	_____	_____	_____
d. Determine whether any of the identified risks are, in the auditor's professional judgment, a significant risk?	_____	_____	_____	_____	_____

Comments:

**Materiality in Planning and Performing an Audit**

2.20 In the audits you have participated on, have you been informed of the need to determine materiality and performance materiality when planning the audit? (AU-C 320B.10-.11)	_____	_____	_____	_____	_____
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Comments:

**Performing Audit Procedures in Response to Assessed Risks and Evaluating the Audit Evidence Obtained**

2.21 Have you been informed of your organization's policies and procedures that require the auditor, after the risks of material misstatement have been assessed, to design and perform further audit procedures (i.e., tests of controls and substantive procedures) in response to those risks? (AU-C 330B.06-.24)	_____	_____	_____	_____	_____
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------	-------	-------	-------	-------

2.22 Are you aware of your organization's policies and procedures that require, based on the audit procedures performed and the audit evidence obtained, the auditor to evaluate whether the assessments of the risks of material misstatement at the relevant assertion level remain appropriate? (AU-C 330B.27-.29)	_____	_____	_____	_____	_____
-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------	-------	-------	-------	-------

Comments:

	Yes	M/T	Some	No	No Opinion
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**Evaluation of Misstatements Identified During the Audit**

2.23 Are you aware of your organization’s policies and procedures that require the auditor to determine whether the overall audit strategy and audit plan need to be revised if the nature of identified misstatements and the circumstances of their occurrence indicate that other misstatements may exist that, when aggregated with misstatements accumulated during the audit could be material, or the aggregate of misstatements accumulated during the audit approaches materiality? (AU-C 450B.06)

\_\_\_\_\_

2.24 Are you aware of your organization’s policies and procedures that require the auditor to communicate on a timely basis with the appropriate levels of management all misstatements accumulated during the audit, and request management to correct those misstatements? (AU-C 450B.07-.09)

\_\_\_\_\_

2.25 Are you aware of your organization’s policies and procedures that require the auditor to determine whether uncorrected misstatements are material, individually or in the aggregate? (AU-C 450B.10-.11)

\_\_\_\_\_

Comments:

**Audit Evidence**

2.26 Has your organization provided you with guidance as to what constitutes sufficient appropriate audit evidence to support audit findings and conclusions? (AU-C 500B)

\_\_\_\_\_

2.27 Have you been informed of your organization’s policies and procedures that require, when using information produced by the entity, the auditor should evaluate whether the information is sufficiently reliable for the auditor’s purposes, including: (AU-C 500B.09)

a. Obtaining audit evidence about the accuracy and completeness of the information? \_\_\_\_\_

b. Evaluating whether the information is sufficiently precise and detailed for the auditor’s purposes? \_\_\_\_\_

	Yes	M/T	Some	No	No Opinion
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2.28 In your opinion, in the audits you have participated on, was sufficient appropriate audit evidence obtained to be able to draw reasonable conclusions on which to base the auditor's opinion?

\_\_\_\_\_

Comments:

**Analytical Procedures**

2.29 Have you been informed of your organization's policies and procedures that require the auditor to design and perform analytical procedures near the end of the audit to assist the auditor in forming an overall conclusion? (AU-C 520B.06)

\_\_\_\_\_

Comments:

**Audit Sampling**

2.30 Are you aware of your audit organization's policies and procedures regarding sample design, sample size, and selection of items for testing? (AU-C 530B.06)

\_\_\_\_\_

Comments:

**Additional GAGAS Requirements for Conducting Financial Audits**

**Auditor Communication**

2.31 If law or regulation requiring an audit specifically identifies the entities to be audited, have you been informed of your organization's policies and procedures that require auditors to communicate pertinent information that in the auditor's professional judgment needs to be communicated both to individuals contracting for or requesting the audit and to those legislative committees, if any, that have ongoing oversight responsibilities for the audited entity? (GAO 6.06)

\_\_\_\_\_

Comments:

**Results of Previous Engagements**

	Yes	M/T	Some	No	No Opinion
2.32 Have you been informed of your organization's policies and procedures that require auditors to evaluate whether the audited entity has taken appropriate corrective action to address findings and recommendations from previous engagements that could have a significant effect on the subject matter? (GAO 6.11)	_____	_____	_____	_____	_____

Comments:

**Noncompliance with Provisions of Laws, Regulations, Contracts, and Grant Agreements**

2.33 Are you aware of your organization's policies and procedures that require the auditor to extend the AICPA requirements concerning consideration of noncompliance with laws and regulations to include consideration of noncompliance with provisions of contracts and grant agreements? (GAO 6.15)	_____	_____	_____	_____	_____
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------	-------	-------	-------	-------

Comments:

**Findings**

2.34 Have you been informed of your organization's policies and procedures for developing a finding? (GAO 6.17-.18)	_____	_____	_____	_____	_____
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Comments:

**Audit Documentation**

2.35 Has your organization informed you that auditors should comply with the following additional audit documentation requirements when performing a GAGAS financial audit: (GAO 6.31-.32)					
a. Documenting supervisory review, before the report release date, of the evidence that supports the findings and conclusions contained in the audit report?	_____	_____	_____	_____	_____
b. Documenting any departures from the GAGAS requirements and the effect on the audit and on the auditors' conclusions when the audit is not in compliance with applicable GAGAS requirements because of law, regulation, scope limitations, restrictions on access to records, or other issues affecting the audit?	_____	_____	_____	_____	_____

	Yes	M/T	Some	No	No Opinion
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Comments:

**Audit Conclusions and Reporting**

**Forming an Opinion and Reporting on Financial Statements**

- |      |                                                                                                                                                                                                                                                                                                                           |       |       |       |       |       |
|------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|-------|-------|-------|-------|
| 2.36 | Have you been informed of your organization's policies and procedures which require the auditor to express an unmodified opinion when the auditor concludes that the financial statements are presented fairly, in all material respects, in accordance with the applicable financial reporting framework? (AU-C 700B.19) | _____ | _____ | _____ | _____ | _____ |
| 2.37 | Have you been informed of your organization's policies and procedures that require the auditor to modify the opinion in the auditor's report if the auditor: (AU-C 700B.20)                                                                                                                                               |       |       |       |       |       |
|      | a. Concludes that, based on the audit evidence obtained, the financial statements as a whole are materially misstated, or                                                                                                                                                                                                 | _____ | _____ | _____ | _____ | _____ |
|      | b. Is unable to obtain sufficient appropriate audit evidence to conclude that the financial statements as a whole are free from material misstatement?                                                                                                                                                                    | _____ | _____ | _____ | _____ | _____ |

Comments:

**Additional GAGAS Requirements for Reporting on Financial Audits**

- |      |                                                                                                                                                            |       |       |       |       |       |
|------|------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|-------|-------|-------|-------|
| 2.38 | Have you been informed of your organization's policies and procedures regarding the following:                                                             |       |       |       |       |       |
|      | a. Reporting the auditors' compliance with generally accepted government auditing standards (GAGAS)? (GAO 6.36)                                            | _____ | _____ | _____ | _____ | _____ |
|      | b. Reporting on internal control; compliance with provisions of laws, regulations, contracts, and grant agreements; and instances of fraud? (GAO 6.39-.44) | _____ | _____ | _____ | _____ | _____ |
|      | c. Presenting findings in the audit report? (GAO 6.50-.51)                                                                                                 | _____ | _____ | _____ | _____ | _____ |
|      | d. Reporting findings directly to parties outside the audited entity? (GAO 6.53-.55)                                                                       | _____ | _____ | _____ | _____ | _____ |
|      | e. Obtaining and reporting the views of responsible officials? (GAO 6.57-.60)                                                                              | _____ | _____ | _____ | _____ | _____ |
|      | f. Reporting confidential or sensitive information? (GAO 6.63-.65)                                                                                         | _____ | _____ | _____ | _____ | _____ |
|      | g. Distributing reports? (GAO 6.70)                                                                                                                        | _____ | _____ | _____ | _____ | _____ |

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.....

	<b>Yes</b>	<b>M/T</b>	<b>Some</b>	<b>No</b>	<b>No Opinion</b>
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2.39 In your opinion, have the reports of the financial audits that you have participated on accurately reflected the results of the audit?

\_\_\_\_\_

Comments:

	Yes	M/T	Some	No	No Opinion
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**ATTESTATION ENGAGEMENTS (to be completed by attestation engagement staff)**

**AICPA Concepts Common to All Attestation Engagements**

**Overall Objectives**

3.1 Have you been informed of the following overall objectives of the practitioner in conducting an attestation engagement: (AT-C 105A.09)

- a. To apply the requirements relevant to the attestation engagement? \_\_\_\_\_
- b. To report on the subject matter or assertion, and communicate as required by the applicable AT-C section, in accordance with the results of the practitioner's procedures? \_\_\_\_\_
- c. To implement quality control procedures at the engagement level that provide the practitioner with reasonable assurance that the attestation engagement complies with professional standards and applicable legal and regulatory requirements? \_\_\_\_\_

Comments:

**Quality Control**

3.2 In the attestation engagements you have participated on, did the engagement partner (or person responsible for the attestation engagement) ensure that: (AT-C 105A.32)

- a. The engagement team, and any practitioner's external specialists, collectively had the appropriate competence, including knowledge of the subject matter? \_\_\_\_\_
- b. Those involved in the engagement were informed of their responsibilities? \_\_\_\_\_
- c. Engagement team members were directed to bring to the engagement partner's attention significant questions raised during the engagement so that their significance could be assessed? \_\_\_\_\_

3.3 In the attestation engagements you have participated on, did the engagement partner (or person responsible for the attestation engagement) take responsibility for the overall quality of the engagement? (AT-C 105A.33) \_\_\_\_\_

	Yes	M/T	Some	No	No Opinion
--	-----	-----	------	----	---------------

Comments:

**Engagement Documentation**

3.4 Have you been informed of your audit organization's policies and procedures requiring engagement documentation be prepared timely, be assembled in an engagement file (no later than 60 days following the report release date), and be properly retained? (AT-C 105A.34-.41) \_\_\_\_\_

Comments:

**Examination Engagements**

**Planning and Performing the Engagement**

3.5 Are you aware of your audit organization's policies and procedures that require the practitioner to establish an overall audit strategy that sets the scope, timing, and direction of the engagement and guides the development of the engagement plan? (AT-C 205A.11-.13) \_\_\_\_\_

Comments:

**Risk Assessment Procedures**

3.6 Are you aware of your audit organization's policies and procedures that require the practitioner to obtain an understanding of the subject matter and other engagement circumstances sufficient to enable the practitioner to identify and assess the risks of material misstatement in the subject matter and provide a basis for designing and performing procedures to respond to the assessed risks? (AT-C 205A.14) \_\_\_\_\_

3.7 Have you been informed of your audit organization's policies and procedures that require the practitioner obtain an understanding of internal control over the preparation of the subject matter relevant to the engagement? (AT-C 205A.15) \_\_\_\_\_

Comments:

**Materiality in Planning and Performing the Engagement**

	Yes	M/T	Some	No	No Opinion
3.8 Have you been informed of your audit organization's policies and procedures that require, when establishing the overall engagement strategy, the practitioner should consider materiality for the subject matter? (AT-C 205A.16-.17)	_____	_____	_____	_____	_____

Comments:

**Identifying Risks of Material Misstatement**

3.9 Are you aware of your audit organization's policies and procedures that require the practitioner identify and assess the risks of material misstatement of the subject matter and design and perform procedures responsive to the assessed risks sufficient to reduce attestation risk to an acceptably low level? (AT-C 205A.18-.23)	_____	_____	_____	_____	_____
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Comments:

**Fraud, Laws, and Regulations**

3.10 Are you aware of your audit organization's policies and procedures that require the practitioner to: (AT-C 205A.32)					
a. Consider whether risk assessment procedures and other procedures related to understanding the subject matter indicate risk of material misstatement due to fraud or noncompliance with laws or regulations?	_____	_____	_____	_____	_____
b. Make inquiries of appropriate parties to determine whether they have knowledge of any actual, suspected, or alleged fraud or noncompliance with laws or regulations affecting the subject matter?	_____	_____	_____	_____	_____
c. Evaluate whether there are unusual or unexpected relationships within the subject matter, or between the subject matter and other related information, that indicate risks of material misstatement due to fraud or noncompliance with laws or regulations?	_____	_____	_____	_____	_____
d. Evaluate whether other information obtained indicates risk of material misstatement due to fraud or noncompliance with laws or regulations?	_____	_____	_____	_____	_____

Comments:

**Written Representations**

	Yes	M/T	Some	No	No Opinion
--	-----	-----	------	----	---------------

3.11 In examination engagements you have participated on, did the practitioner obtain the required written representations from the responsible party, and if those written representations weren't provided or not reliable, did the practitioner take appropriate action? (AT-C 205A.50-.56)

\_\_\_\_\_

Comments:

**Additional GAGAS Requirements for Examination Engagements**

**Auditor Communication**

3.12 If law or regulation requiring an examination engagement specifically identifies the entities to be examined, have you been informed of your organization's policies and procedures that require auditors to communicate pertinent information that in the auditor's professional judgment needs to be communicated both to individuals contracting for or requesting the examination and to those legislative committees, if any, that have ongoing oversight responsibilities for the audited entity? (GAO 7.09)

\_\_\_\_\_

Comments:

**Results of Previous Engagements**

3.13 Have you been informed of your organization's policies and procedures that require the auditor to evaluate whether the audited entity has taken appropriate corrective action to address findings and recommendations from previous engagements that could have a significant effect on the subject matter or an assertion about the subject matter of the current examination engagement? (GAO 7.13)

\_\_\_\_\_

Comments:

**Noncompliance with Provisions of Laws, Regulations, Contracts, and Grant Agreements**

	Yes	M/T	Some	No	No Opinion
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3.14 Are you aware of your organization's policies and procedures that require the auditor to extend the AICPA requirements concerning consideration of noncompliance with laws and regulations to include consideration of noncompliance with provisions of contracts and grant agreements? (GAO 7.17)

\_\_\_\_\_

Comments:

**Findings**

3.15 Have you been informed of your organization's policies and procedures for developing a finding? (GAO 7.19-.20)

\_\_\_\_\_

Comments:

**Examination Engagement Documentation**

3.16 Has your organization informed you of the following requirements relating to examination engagement documentation: (GAO 7.33)

a. Documentation of supervisory review, before the date of the examination report, of the evidence that supports findings, conclusions, and recommendations contained in the examination report?

\_\_\_\_\_

b. Documentation of any departures from the GAGAS requirements and the effect on the examination engagement and on the auditors' conclusions when the examination engagement does not comply with applicable GAGAS requirements because of law, regulation, scope limitations, restrictions on access to records, or other issues affecting the examination engagement?

\_\_\_\_\_

Comments:

**Forming the Opinion**

3.17 Have you been informed of your organization's policies and procedures that require the practitioner to form an opinion about whether the subject matter is in accordance with (or based on) the criteria, in all material respects, or the assertion is fairly stated, in all material respects? (AT-C205A.59)

\_\_\_\_\_

	Yes	M/T	Some	No	No Opinion
3.18 Have you been informed of your organization's policies and procedures that require the practitioner to modify the opinion when either of the following circumstances exist, and the effect of the matter is or may be material: (AT-C 205A.68)					
a. The practitioner is unable to obtain sufficient appropriate evidence to conclude that the subject matter is in accordance with (or based on) the criteria, in all material respects?	_____	_____	_____	_____	_____
b. The practitioner concludes, based on evidence obtained, that the subject matter is not in accordance with (or based on) the criteria, in all material respects.	_____	_____	_____	_____	_____

Comments:

**Additional GAGAS Requirements for Examination Engagements**

**Reporting**

3.19 Have you received guidance from your organization about the following items pertaining to examination reports:					
a. Reporting auditors' compliance with GAGAS? (GAO 7.39-.40)	_____	_____	_____	_____	_____
b. Reporting deficiencies in internal control? (GAO 7.42)	_____	_____	_____	_____	_____
c. Reporting on noncompliance with provisions of laws, regulations, contracts, and grant agreements or instances of fraud? (GAO 7.44-.45)	_____	_____	_____	_____	_____
d. Presenting findings in the report? (GAO 7.48-.49)	_____	_____	_____	_____	_____
e. Reporting findings directly to parties outside the audited entity? (GAO 7.51-.53)	_____	_____	_____	_____	_____
f. Obtaining and reporting the views of responsible officials? (GAO 7.55-.58)	_____	_____	_____	_____	_____
g. Reporting confidential or sensitive information? (GAO 7.61-.63)	_____	_____	_____	_____	_____
h. Distributing reports? (GAO 7.69)	_____	_____	_____	_____	_____
3.20 In your opinion, have the reports of the examination engagements that you have participated on accurately reflected the results of the engagement?	_____	_____	_____	_____	_____

Comments:

	Yes	M/T	Some	No	No Opinion
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**Review Engagements**

**Planning and Performing the Engagement**

3.21 Are you aware of your audit organization's policies and procedures that require the practitioner to set the scope, timing, and direction of the engagement and determine the nature, timing, and extent of the planned procedures that are required to be carried out in order to achieve the objectives of the engagement? (AT-C 210A.12-.13)

\_\_\_\_\_

Comments:

**Materiality in Planning and Performing the Engagement**

3.22 Have you been informed of your audit organization's policies and procedures that require, when planning and performing the review engagement, the practitioner should consider materiality? (AT-C 210A.14)

\_\_\_\_\_

Comments:

**Procedures to be Performed**

3.23 Are you aware of your audit organization's policies and procedures that require the practitioner to obtain sufficient appropriate review evidence in order to express a conclusion about whether any material modifications should be made to the subject matter in order for it to be in accordance with (or based on) the criteria, or the assertion, in order for it to be fairly stated? (AT-C 210A.15)

\_\_\_\_\_

Comments:

**Fraud, Laws, and Regulations**

3.24 Are you aware of your audit organization's policies and procedures that require the practitioner to: (AT-C 210A.23-.24)

- a. Make inquiries of appropriate parties to determine whether they have knowledge of any actual, suspected, or alleged fraud or noncompliance with laws or regulations affecting the subject matter?

\_\_\_\_\_

	Yes	M/T	Some	No	No Opinion
b. Respond appropriately to fraud or suspected fraud and noncompliance or suspected noncompliance with laws or regulations affecting the subject matter that is identified during the engagement?	_____	_____	_____	_____	_____

Comments:

**Written Representations**

3.25 In review engagements you have participated on, did the practitioner obtain the required written representations from the responsible party, and if those written representations weren't provided or not reliable, did the practitioner take appropriate action? (AT-C 210A.33-.39)

\_\_\_\_\_

Comments:

**Additional GAGAS Requirements for Review Engagements**

**Noncompliance with Provisions of Laws, Regulations, Contracts, and Grant Agreements**

3.26 Are you aware of your organization's policies and procedures that require the auditor to extend the AICPA requirements concerning consideration of noncompliance with laws and regulations to include consideration of noncompliance with provisions of contracts and grant agreements? (GAO 7.73)

\_\_\_\_\_

Comments:

**Forming the Conclusion**

3.27 Have you been informed of your organization's policies and procedures that require the practitioner to form a conclusion about whether the practitioner is aware of any material modifications that should be made to the subject matter in order for it to be in accordance with (or based on) the criteria, or to the responsible party's assertion in order for it to be fairly stated? (AT-C210A.42)

\_\_\_\_\_

Comments:

	Yes	M/T	Some	No	No Opinion
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**Additional GAGAS Reporting Requirements for Review Engagements**

3.28 Have you received guidance from your organization about the following items pertaining to review reports:

- a. Reporting auditors' compliance with GAGAS? (GAO 7.74)
- b. Distributing reports? (GAO 7.77)

_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Comments:

**Agreed-Upon Procedures Engagements**

**Agreeing on the Terms of the Engagement**

3.29 In the agreed-upon procedures engagements you have participated on, did the practitioner agree upon the terms of the engagement with the engaging party? (AT-C 215A.12)

_____	_____	_____	_____	_____
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Comments:

**Procedures to be Performed**

3.30 Are you aware of your audit organization's policies and procedures that require the practitioner to obtain evidence from applying the agreed-upon procedures to provide a reasonable bases for the finding or findings expressed in the practitioner's report? (AT-C 215A.20)

_____	_____	_____	_____	_____
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Comments:

**Written Representations**

3.31 In the agreed-upon procedures engagements you have participated on, did the practitioner obtain the required written representations from the responsible party, and if those written representations weren't provided or not reliable, did the practitioner take appropriate action? (AT-C 215A.28-.32)

_____	_____	_____	_____	_____
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Comments:

**Additional GAGAS Requirements for Agreed-Upon Procedures Engagements**

	Yes	M/T	Some	No	No Opinion
3.32 Are you aware of your organization's policies and procedures that require the auditor to extend the AICPA requirements concerning consideration of noncompliance with laws and regulations to include consideration of noncompliance with provisions of contracts and grant agreements? (GAO 7.81)	_____	_____	_____	_____	_____

Comments:

**Preparing the Practitioner's Report**

3.33 Have you been informed of your organization's policies and procedures that require the practitioner's report be in the form of procedures and findings? (AT-C215A.34)	_____	_____	_____	_____	_____
3.34 In the agreed-upon procedures engagements you have participated on, did the report include the appropriate content? (AT-C 215A.35)	_____	_____	_____	_____	_____

Comments:

**Additional GAGAS Requirements for Agreed-Upon Engagements**

3.35 Have you received guidance from your organization about the following items pertaining to agreed-upon procedures engagement reports:					
a. Reporting auditors' compliance with GAGAS? (GAO 7.82)	_____	_____	_____	_____	_____
b. Distributing reports? (GAO 7.85)	_____	_____	_____	_____	_____

Comments:

	Yes	M/T	Some	No	No Opinion
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**PERFORMANCE AUDITS (to be completed by performance audit staff)**

**Planning**

4.1	Has the planning for the audits that you have participated on included the following:	_____	_____	_____	_____	_____
	a. Adequately planning the work necessary to address the audit objectives, and documenting the audit plan? (GAO 8.03)	_____	_____	_____	_____	_____
	b. Planning the audit to reduce audit risk to an acceptably low level? (GAO 8.04)	_____	_____	_____	_____	_____
	c. Assessing significance and audit risk, and applying these assessments to establish the scope and methodology for addressing the audit objectives? (GAO 8.05)	_____	_____	_____	_____	_____
	d. Designing the methodology to obtain sufficient, appropriate evidence that provides a reasonable basis for findings and conclusions based on the audit objectives and to reduce audit risk to an acceptably low level? (GAO 8.06)	_____	_____	_____	_____	_____
	e. Identifying and using suitable criteria based on the audit objectives? (GAO 8.07)	_____	_____	_____	_____	_____
4.2	Has the planning for the audits that you have participated on included the following:	_____	_____	_____	_____	_____
	a. Communicating an overview of the objectives, scope, and methodology and the timing of the performance audit and planned reporting to management of the audited entity, those charged with governance, individuals contracting for or requesting the audit services, and others as applicable? (GAO 8.20-.22)	_____	_____	_____	_____	_____
	b. Inquiring of management of the audited entity about whether any investigations or legal proceedings significant to the audit objectives were initiated or were in process with respect to the period under audit, and evaluating the effect of initiated or in-process investigations or legal proceedings on the current audit? (GAO 8.27)	_____	_____	_____	_____	_____
	c. Evaluating whether the audited entity has taken appropriate corrective action to address findings and recommendations from previous engagements or other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented? (GAO 8.30)	_____	_____	_____	_____	_____

	Yes	M/T	Some	No	No Opinion
d. Assigning sufficient staff auditors (and engaging specialists when necessary) with adequate collective professional competence to conduct the audit? (GAO 8.31)	_____	_____	_____	_____	_____
e. Preparing a written audit plan, and updating the plan, as necessary, to reflect significant changes to the plan made during the audit? (GAO 8.33)	_____	_____	_____	_____	_____

Comments:

### Conducting the Engagement

4.3 In the audits you have participated on, did the auditor:

a. Obtain an understanding of the nature of the program or program component under audit and the potential use that will be made of the audit results or report? (GAO 8.36)	_____	_____	_____	_____	_____
b. Determine and document whether internal control is significant to the audit objectives, and if so, obtain an understanding of such internal control? (GAO 8.39-.40)	_____	_____	_____	_____	_____
c. Assess and document the assessment of the design, implementation, and/or operating effectiveness of such internal control to the extent necessary to address the audit objectives? (GAO 8.49)	_____	_____	_____	_____	_____
d. Evaluate and document the significance of identified internal control deficiencies within the context of the audit objectives? (GAO 8.54)	_____	_____	_____	_____	_____
e. Determine whether it was necessary to evaluate information systems controls for purposes of assessing audit risk and planning the audit within the context of the audit objectives? (GAO 8.59-.62)	_____	_____	_____	_____	_____
f. Identify any provisions of laws, regulations, contracts, and grant agreements that are significant within the context of the audit objectives? (GAO 8.68)	_____	_____	_____	_____	_____
g. Assess the risk of fraud occurring that is significant within the context of the audit objectives? (GAO 8.71-.72)	_____	_____	_____	_____	_____
h. Identify sources of evidence and the amount and type of evidence required? (GAO 8.77-.78)	_____	_____	_____	_____	_____
i. Determine whether other auditors have conducted audits that could be relevant to the current audit objectives? (GAO 8.80-.81)	_____	_____	_____	_____	_____

Comments:

	Yes	M/T	Some	No	No Opinion
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**Supervision**

4.4 In the audits you have participated on, were auditors properly supervised? (GAO 8.87) \_\_\_\_\_

4.5 In your opinion, have you received appropriate supervision in the audits you have participated on? \_\_\_\_\_

Comments:

**Evidence**

4.6 Have you been informed of your organization's policies and procedures regarding:

a. Obtaining sufficient, appropriate evidence to provide a reasonable basis for addressing the audit objectives and supporting your findings and conclusions? (GAO 8.90-.94) \_\_\_\_\_

b. Performing and documenting an overall assessment of the collective evidence used to support findings and conclusions? (GAO 8.108-.110) \_\_\_\_\_

4.7 Have you been informed of your organization's policies and procedures regarding, when findings are identified, planning and performing procedures to develop the criteria, condition, cause, and effect of the findings necessary to achieve the audit objectives? (GAO 8.116-.117) \_\_\_\_\_

4.8 In your opinion, has the evidence obtained during the audits you have participated on been sufficient and appropriate to provide a reasonable basis for the findings and conclusions? \_\_\_\_\_

Comments:

**Audit Documentation**

4.9 Has your organization informed you that audit documentation should contain the following: (GAO 8.135)

a. Objectives, scope, and methodology of the audit? \_\_\_\_\_

	Yes	M/T	Some	No	No Opinion
b. The work performed and evidence obtained to support significant judgments and conclusions, including descriptions of transactions and records examined?	_____	_____	_____	_____	_____
c. Evidence of supervisory review, before the audit report is issued, of the evidence that supports the findings, conclusions, and recommendations contained in the audit report?	_____	_____	_____	_____	_____
4.10 Are you aware of your audit organization's policies and procedures requiring auditors to document departures from the GAGAS requirements and the impact on the audit and on the auditors' conclusions? (GAO 8.136)	_____	_____	_____	_____	_____

Comments:

### Reporting

4.11 Have you been informed of your organization's policies and procedures that require auditors to issue reports communicating the results of each completed performance audit in a form that is appropriate for its intended use? (GAO 9.06-.07)	_____	_____	_____	_____	_____
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Comments:

### Report Contents

4.12 Are you aware of your organization's policies and procedures that require audit reports to contain: (GAO 9.10)					
a. The objectives, scope, and methodology of the audit? (GAO 9.11-.14)	_____	_____	_____	_____	_____
b. The audit results, including findings, conclusions, and recommendations, as appropriate? (GAO 9.18-.23)	_____	_____	_____	_____	_____
c. A summary of the views of responsible officials? (GAO 9.50-.53)	_____	_____	_____	_____	_____
d. A statement about the nature of any confidential or sensitive information omitted, if applicable? (GAO 9.61-.63)	_____	_____	_____	_____	_____
e. A statement about the auditors' compliance with GAGAS? (GAO 9.03-9.05)	_____	_____	_____	_____	_____

	Yes	M/T	Some	No	No Opinion
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4.13 Are you aware of your audit organization's policies and procedures regarding:

- |                                                                                                                                  |       |       |       |       |       |
|----------------------------------------------------------------------------------------------------------------------------------|-------|-------|-------|-------|-------|
| a. Reporting on internal control when internal control is significant within the context of the audit objectives? (GAO 9.29-.31) | _____ | _____ | _____ | _____ | _____ |
| b. Reporting on noncompliance with provisions of laws, regulations, contracts, and grant agreements? (GAO 9.35-36)               | _____ | _____ | _____ | _____ | _____ |
| c. Reporting on instances of fraud? (GAO 9.40-.41)                                                                               | _____ | _____ | _____ | _____ | _____ |
| d. Reporting findings directly to parties outside the audited entity? (GAO 9.45-.47)                                             | _____ | _____ | _____ | _____ | _____ |

Comments:

#### Distributing Reports

4.14 Are you aware of your organization's policies and procedures regarding distribution of reports completed under GAGAS? (GAO 9.56)

_____	_____	_____	_____	_____
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Comments:

GENERAL COMMENTS: If you want to discuss an issue with the external peer review team, indicate the issue(s) you want to discuss below and contact the team leader at the address shown on the letter transmitting this questionnaire to you.

Thank you for taking the time to complete this questionnaire.

**ALL RESPONSES WILL BE KEPT CONFIDENTIAL**

## Matters for Further Consideration

Audit Organization Under Review	
Review Team Member(s)	
External Peer Review Team Leader	
Date Completed	

### Matters for Further Consideration

#### Purpose and Format

This form is designed to allow the external peer review team leader to compile, in one place, any design matters in the audit organization's quality control system or any noncompliance with the organization's system of quality control that are identified by the review team during the review. It is to be used in conjunction with several other review documents: the "Audit Organization's Policies and Procedures for Financial Audits/Performance Audits/Attestation Engagements and Review Guide," the "Guide for Review of Financial Audits/Performance Audits/Attestation Engagements," the "Audit Staff Questionnaire," and the "Conclusions of the External Peer Review for Financial Audits/Performance Audits/Attestation Engagements."

The completed form will serve as the basis for later discussions by the team members, team leader, and concurring reviewer in drawing their conclusions about the organization's system of quality control. Those conclusions are recorded in the document, "Conclusions of the External Peer Review for Financial Audits/Performance Audits/Attestation Engagements."

#### Instructions for Completing this Form

For every question in the "Audit Organization's Policies and Procedures for Financial Audits/Performance Audits/Attestation Engagements and Review Guide" and the "Guide for Review of Financial Audits/Performance Audits/Attestation Engagements" that the reviewers answer with a "No," information about the type of matter identified should be recorded on this form by professional standards reference. In addition, the team leader will need to record on this form any matters identified in the analysis of the responses to the "Audit Staff Questionnaire" that warrant further consideration on the evaluation of an audit organization's system of quality control.

Several pieces of information are needed for each entry onto this form:

- Name of team member that wrote the MFC.
- Professional standards reference.
- Reference to the applicable review document and question number. Use the following abbreviations for review documents: P/P = Audit Organization's Policies and Procedures and Review Guide; AG = Audit/Engagement Review Guide; SQ = Audit Staff Questionnaire.
- The audit title and working paper reference, if applicable.
- A brief description of the matter identified in the organization's quality control policies and procedures or its noncompliance with those policies and procedures.
- A designation of the type of matter identified (**use drop-down list in form**). *Design* matters in the system of quality control can result from inadequate policies or procedures, lack of documentation, or ineffective communication. **In the absence of violations of standards in the audit engagements reviewed, the reviewer would normally conclude that the matters identified in the design of the QC system would not result in a peer review report rating of pass with deficiency(ies) or fail.** *Compliance* matters can result from a lack of performance or a lack of adequate documentation of performance. The reviewer should indicate whether this matter is not in compliance with the standard or with the organization's quality control policies and procedures.
- The team member's preliminary conclusion about the likelihood (**use drop-down list in form**) that the matter identified would have a significant effect on the organization's quality control system or its ability to perform or report in conformity with professional standards.
- Disposition of the matter: cleared, verbal, or carried forward to conclusions document (**use drop-down list in form**).
- OPTIONAL (to be completed by team): May provide a brief description of the audit organization's response.

The external peer review team leader should maintain this form and should decide at the start of the on-site review what method should be used to obtain the needed information from individual team members. One possibility: during the on-site review, the team leader may choose to transfer the needed information directly from the guides completed by the review team. Another possible approach: the team leader may ask the reviewers to complete and turn in the needed information on a "scratch" form whenever they answer "No" to a question in the two guides. Whatever method is chosen, the team leader should attempt to minimize duplication of effort.

If requested, copies of the MFC form should be made available to the state audit organization being reviewed.



**Guidance for External Peer  
Reviews of Government Audit Organizations**

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**Matters for Further Consideration Form**

Audit Organization  
Under Review:

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External Peer  
Reviewers:

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External Peer  
Review Team Leader:

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Date Form Completed:

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## **Matters for Further Consideration Form**

### **Purpose**

This form is designed to allow the external peer review team leader to compile, in one place, any design matters in the audit organization's quality control system or any noncompliance with the organization's system of quality control that are identified by the review team during the review. It is to be used in conjunction with several other review documents: the "Audit Organization's Policies and Procedures for Financial Audits/Performance Audits/Attestations Engagements and Review Guide," the "Guide for Review of Financial Audits/Performance Audits/Attestation Engagements," the "Audit Staff Questionnaire," and the "Conclusions of the External Peer Review for Financial Audits/Performance Audits/Attestation Engagements."

The completed form will serve as the basis for later discussions by the team members, team leader, and concurring reviewer in drawing their conclusions about the organization's system of quality control. Those conclusions are recorded in the document, "Conclusions of the External Peer Review for Financial Audits/Performance Audits/Attestation Engagements."

### **Instructions**

For every question in the "Audit Organization's Policies and Procedures for Financial Audits/Performance Audits/Attestations Engagements and Review Guide" and the "Guide for Review of Financial Audits/Performance Audits/Attestation Engagements" that the reviewers answer with a "No," information about the type of matter identified should be recorded on this form by professional standards reference. In addition, the team leader will need to record on this form any matters identified in the analysis of the responses to the "Audit Staff Questionnaire" that warrant further consideration on the evaluation of an audit organization's system of quality control.

Several pieces of information are needed for each entry onto this form:

- Professional standards reference.
- Reference to the applicable review document and question number.
- The audit title and working paper reference, if applicable.
- A brief description of the matter identified in the organization's quality control policies and procedures or its noncompliance with those policies and procedures.
- A designation of the type of matter identified. Design matters in the system of quality control can result from inadequate policies or procedures, lack of documentation, or ineffective communication. Compliance matters can result from a lack of performance or a lack of adequate documentation of performance.
- The team member's preliminary conclusion about the likelihood that the matter identified would have a significant effect on the organization's quality control system or its ability to perform or report in conformity with professional standards.
- Name of the team member that wrote the MFC.
- OPTIONAL (to be completed by team): May provide a brief description of the audit organization's response.

The external peer review team leader should maintain this form and should decide at the start of the on-site review what method should be used to obtain the needed information from individual team members. One possibility: during the on-site review, the team leader may choose to transfer the needed information directly from the guides completed by the review team. Another possible approach: the team leader may ask the reviewers to complete and turn in the needed information on a "scratch" form whenever they answer "No" to a question in the two guides. Whatever method is chosen, the team leader should attempt to minimize duplication of effort.

If requested, copies of the MFC form should be made available to the state audit organization being reviewed.

**Note:** Reviewers are encouraged to use the electronic version (Excel template) of this document.

## MATTERS FOR FURTHER CONSIDERATION

Audit Organization Reviewed: \_\_\_\_\_

Date: \_\_\_\_\_

MFC#	Professional standards reference	Matters Identified During the External Peer Review				For each matter, what is the potential effect on the organization's system of quality control or its ability to perform and report in compliance with professional standards?			Disposition of the matter C = Cleared V = Verbal CF = Carried forward to Conclusions document	Team member name	OPTIONAL – to be completed by team  Audit Organization Response
		Review document and question# <sup>(1)</sup>	Audit title and working paper reference, if applicable	Brief description of the matter	Type of matter identified D = Design <sup>(2)</sup> C = Compliance <sup>(3)</sup>	Not likely to impact	May have an impact	Likely to have an impact			

- (1) P/P = Organization Policies and Procedures and Review Guide; AG = Guide for Review of Audits; SQ = Audit Staff Questionnaire
- (2) In the absence of violations of standards in the audit engagements reviewed, the reviewer would normally conclude that the matters identified in the design of the QC system would not result in a peer review report rating of *pass with deficiency(ies)* or *fail*.
- (3) Indicate whether this matter is not in compliance with the standard or with the organization's quality control policies and procedures

**Guidance for External Peer  
Reviews of Government Audit Organizations**

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***Finding for Further Consideration Form***

Audit Organization  
Under Review:

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External Peer  
Reviewers:

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External Peer  
Review Team Leader:

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Date Form Completed:

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## ***Finding for Further Consideration Form***

### **Purpose**

This form is prepared in connection with an external peer review if there are one or more matters that the peer review team believes results in a condition in which there is more than a remote possibility that the reviewed audit organization would not perform or report in conformity with applicable professional standards, but the results were not of such relative importance to include in a report with a peer review rating of *pass with deficiencies* or *fail*. (See Reporting Matrix in Section II, page 27, or in Conclusions Document, page 5, for more guidance.)

### **Instructions**

For each matter elevated to a finding, the review team should complete an FFC form. Each FFC form:

- Indicates which Matters for Further Consideration (MFCs) (by number) are addressed.
- References the professional standard(s) applicable to the finding.
- Includes a summary of the reviewer's description of the finding from the MFCs addressed by this FFC, including the underlying cause of the finding.
- Indicates whether the finding was noted in the prior peer review.
- Includes the reviewer's recommendation(s).
- Is signed by the team leader and concurring reviewer on the peer review.
- Includes the reviewed audit organization's response. The reviewed audit organization should indicate whether it agrees with the finding and the reviewer's recommendation. The reviewed audit organization's response should describe how the audit organization intends to implement the reviewer's recommendation (or alternative plan if the audit organization does not agree with the recommendation); and, if applicable, additional procedures to ensure that the finding is not repeated in the future.
- Is signed by a representative of the audit organization and returned to the team leader.
- Is part of the working papers and is not a part of the reporting process, but as with all documents, needs to be completed properly before the review can be finalized.
- Allows the reviewer to write the recommendation(s) to the finding in a way for the reviewed audit organization to understand the finding and why it occurred, and the recommendation appears appropriate in the circumstances.

FFC forms require that the reference be made to the applicable professional standard(s) to which the finding relates. The reviewer must complete the professional standards reference section before the form is given to the audit organization for its comments. Including a specific reference allows the audit organization to consult with that section of professional standards in order to prepare an informed response.

The reviewed audit organization should be reminded to include comments beyond "yes" or "no" to indicate its agreement with the finding. If the reviewed audit organization disagrees with the finding, it should detail the basis for its disagreement, including the references to professional standards that support that basis. If the reviewed audit organization agrees with the comment, it should be encouraged to provide information that can help the reviewer identify any systemic cause underlying the finding.

Experience shows that improvement is more likely to occur when the recommendations describe specific actions to be taken. Therefore, a response limited to the audit organization's comment that it will emphasize or reemphasize a policy or procedure should be combined with more specific actions.

FFC forms will be retained in the working papers and will be considered during the performance of the next peer review. If requested, copies of the completed FFC form(s) should be made available to the state audit organization being reviewed.

Note: Reviewers are encouraged to use the electronic version (PDF fillable form) of this document.

**FINDING FOR FURTHER CONSIDERATION**

FFC # \_\_\_\_\_

Audit Organization Reviewed: \_\_\_\_\_

MFC(s) covered by this form (list MFC #s) \_\_\_\_\_

Professional Standards Reference(s): \_\_\_\_\_

Reviewer's Description of the Finding

Systemic Cause of Finding

Were similar findings noted in the prior review? \_\_\_\_\_ Yes \_\_\_\_\_ No

Reviewer's Recommendation

Team Leader \_\_\_\_\_ Date: \_\_\_\_\_

Concurring Reviewer \_\_\_\_\_ Date: \_\_\_\_\_

Reviewed Audit Organization's Response (The response should describe (a) how the audit organization intends to implement the reviewer's recommendation [or alternative plan if the audit organization does not agree with the reviewer's recommendation]; (b) the person(s) responsible for implementation; and (c) if applicable, additional procedures to ensure that the finding is not repeated in the future.) (Attach additional sheet if necessary.)

Audit Organization Representative \_\_\_\_\_ Date: \_\_\_\_\_

***This document is to be retained in the peer review working papers and will be considered during the next peer review.***

**Guidance for External Peer  
Reviews of Government Audit Organizations**

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***Finding for Further Consideration Form***

Audit Organization  
Under Review:

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External Peer  
Reviewers:

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External Peer  
Review Team Leader:

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Date Form Completed:

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## ***Finding for Further Consideration Form***

### **Purpose**

This form is prepared in connection with an external peer review if there are one or more matters that the peer review team believes results in a condition in which there is more than a remote possibility that the reviewed audit organization would not perform or report in conformity with applicable professional standards, but the results were not of such relative importance to include in a report with a peer review rating of *pass with deficiencies* or *fail*. (See Reporting Matrix in Section II, page 27, or in Conclusions Document, page 5, for more guidance.)

### **Instructions**

For each matter elevated to a finding, the review team should complete an FFC form. Each FFC form:

- Indicates which Matters for Further Consideration (MFCs) (by number) are addressed.
- References the professional standard(s) applicable to the finding.
- Includes a summary of the reviewer's description of the finding from the MFCs addressed by this FFC, including the underlying cause of the finding.
- Indicates whether the finding was noted in the prior peer review.
- Includes the reviewer's recommendation(s).
- Is signed by the team leader and concurring reviewer on the peer review.
- Includes the reviewed audit organization's response. The reviewed audit organization should indicate whether it agrees with the finding and the reviewer's recommendation. The reviewed audit organization's response should describe how the audit organization intends to implement the reviewer's recommendation (or alternative plan if the audit organization does not agree with the recommendation); and, if applicable, additional procedures to ensure that the finding is not repeated in the future.
- Is signed by a representative of the audit organization and returned to the team leader.
- Is part of the working papers and is not a part of the reporting process, but as with all documents, needs to be completed properly before the review can be finalized.
- Allows the reviewer to write the recommendation(s) to the finding in a way for the reviewed audit organization to understand the finding and why it occurred, and the recommendation appears appropriate in the circumstances.

FFC forms require that the reference be made to the applicable professional standard(s) to which the finding relates. The reviewer must complete the professional standards reference section before the form is given to the audit organization for its comments. Including a specific reference allows the audit organization to consult with that section of professional standards in order to prepare an informed response.

The reviewed audit organization should be reminded to include comments beyond "yes" or "no" to indicate its agreement with the finding. If the reviewed audit organization disagrees with the finding, it should detail the basis for its disagreement, including the references to professional standards that support that basis. If the reviewed audit organization agrees with the comment, it should be encouraged to provide information that can help the reviewer identify any systemic cause underlying the finding.

Experience shows that improvement is more likely to occur when the recommendations describe specific actions to be taken. Therefore, a response limited to the audit organization's comment that it will emphasize or reemphasize a policy or procedure should be combined with more specific actions.

FFC forms will be retained in the working papers and will be considered during the performance of the next peer review. If requested, copies of the completed FFC form(s) should be made available to the state audit organization being reviewed.

Note: Reviewers are encouraged to use the electronic version (PDF fillable form) of this document.

**FINDING FOR FURTHER CONSIDERATION**

FFC # \_\_\_\_\_

Audit Organization Reviewed: \_\_\_\_\_

MFC(s) covered by this form (list MFC #s) \_\_\_\_\_

Professional Standards Reference(s): \_\_\_\_\_

Reviewer's Description of the Finding

Systemic Cause of Finding

Were similar findings noted in the prior review? \_\_\_\_\_ Yes \_\_\_\_\_ No

Reviewer's Recommendation

Team Leader \_\_\_\_\_ Date: \_\_\_\_\_

Concurring Reviewer \_\_\_\_\_ Date: \_\_\_\_\_

Reviewed Audit Organization's Response (The response should describe (a) how the audit organization intends to implement the reviewer's recommendation [or alternative plan if the audit organization does not agree with the reviewer's recommendation]; (b) the person(s) responsible for implementation; and (c) if applicable, additional procedures to ensure that the finding is not repeated in the future.) (Attach additional sheet if necessary.)

Audit Organization Representative \_\_\_\_\_ Date: \_\_\_\_\_

***This document is to be retained in the peer review working papers and will be considered during the next peer review.***

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## Section V

Financial Audit External Peer Review

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February 2021

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## **Documents for a Financial Audit External Peer Review**

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The external peer review process for financial audits involves a number of interrelated documents, which are identified below. Those designated with an asterisk (\*) are identical documents used for peer reviews of attestation engagements and performance audits and can be found in Section IV of the Manual.

### **Completed by Audit Organization**

Audit Organization Questionnaire\* (*last updated October 2019*)

Audit Staff Questionnaire\* (*last updated February 2021*)

### **Completed by Audit Organization and External Peer Reviewers**

Audit Organization's Policies and Procedures for General Requirements and Review Guide (*content last updated May 2021*)

Audit Organization's Policies and Procedures for Financial Audits and Review Guide (*content last updated December 2021*)

### **Completed by External Peer Reviewers**

Guide for Review of Financial Audit Engagements (*content last updated December 2021*)

Specialized Financial Audits Review Guides:

Single Audit Act Audits, Appendix A (*content last updated December 2021*)

Financial Audit Engagements, Appendix B (*content last updated December 2021*)

### **Completed/Compiled by Review Team Leader**

Matters for Further Consideration\* (*last updated June 2019*)

Conclusions of the External Peer Review for Financial Audits (*last updated February 2021*)

Finding(s) for Further Consideration\* (*created May 2013*)

The last document is the External Peer Review Report that the external peer review team drafts on the organization's overall quality control system and its satisfaction of the audit standards. (Examples can be found on pages II-33 through II-37.)

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Agency Policies and Procedures | General Requirements | Coversheet

Audit Organization Under Review

Audit Organization Staff Who Completed Form

Types of Engagements Covered by this Checklist

Review Team Member(s) Who Completed Form

External Peer Review Team Leader

Date

**Audit Organization's Quality Control Policies and Procedures for General Requirements**

**Purpose and Format**

The National State Auditors Association's external peer review program is designed to provide an independent assessment of an audit organization's system of quality control. As defined in the Association's "Policies and Procedures for the External Peer Review Program," such a system encompasses the audit organization's leadership, its emphasis on performing high quality work, and the policies and procedures designed to provide reasonable assurance of complying with professional standards and applicable legal and regulatory requirements.

This checklist is designed to obtain information about the audit organization's quality control policies and procedures and to allow the external peer review team to assess those policies and procedures to determine whether they are adequate. It contains a separate section for each of the generally accepted government auditing standards issued by the Comptroller General of the United States (2018 Revision). Each section contains a series of questions about the policies and procedures the organization has in place to provide reasonable assurance that its audit work complies with the standard. These questions generally are tied to the statements in the standards that require or place responsibility on an organization or its auditors to do something.

**Instructions for Completing this Form**

*Audit Organization*

*Note to audit organization: If policies and procedures referenced for the GAGAS General Requirements (Independence, Professional Judgment, Competence, and Quality Control and Assurance) are the same for all types of engagements conducted by your organization, it is not necessary to complete this questionnaire for each engagement type. Please note above the types of engagements covered by this checklist. If general requirements are different for other engagement types, a separate checklist must be completed.*

The audit organization under review should complete the sections that are shaded in orange. All other sections should be completed by the external peer review team.

Under the audit organization columns, you are asked to reference your applicable quality control policies and procedures, or the document(s) in which they can be found. As it applies to your organization, reference the policies and procedures related to audit work done in-house as well as to audit work conducted on a contractual basis. All answers should be cross-referenced to the organization's documents and, whenever feasible, copies of the documents should be attached to the questionnaire. If your organization has a comprehensive audit manual or a quality control document covering its policies and procedures, it is preferred that you cross-reference and attach a complete version of that manual or document. Manual references should be as specific as possible to facilitate the review process.

If the reference document does not clearly explain how compliance with the standard is assured, please briefly describe how compliance is assured in the space provided. This information will give the external peer review team a better understanding of how the organization operates and its policies, procedures, and documents in place to assure compliance with standards. This information is useful to the external peer reviewers in assessing the design of the quality control system to reasonably assure compliance with standards, and for assessing the organization's compliance with its system.

Audit organizations should also identify when the referenced policy and procedure has substantially changed since the last peer review. This information will assist the peer review team with its risk-based review of policies and procedures. A substantial change is one that either represents a consequential change in the organization's policy or procedures to meet the requirement, or significant revision to the documentation or communication of the policy or procedure. A substantial change would include situations where the referenced policies or procedures were re-created or re-written, updated to meet new or changed requirements of professional standards, modified to change or correct the understanding or application of professional standards, modified to change or correct the audit approach or methodology, etc. A substantial change would not include inconsequential updates, corrections or wording changes to a policy or procedure, typographical or formatting changes, updates to citations to professional standards in instances where requirements of professional standards did not change, etc. If the audit organization is unsure how to complete this column, they should discuss their questions with the peer review team leader.

The external peer review team will review these specific policies, procedures or documents as part of its assessment of whether they are appropriately comprehensive and suitably designed for the organization and whether they are adequately documented. The information and documentation that you provide will facilitate an efficient external peer review.

Because of the differences between government audit organizations, this questionnaire may not address all the audit policies and procedures that may apply to your organization's operations. Carefully complete the questionnaire to identify the policies and procedures your organization has in place for ensuring that it complies with applicable audit standards.

#### *Review Team*

The portion of the form to be completed by the audit organization asks the audit organization to reference its quality control policies and procedures, or the documents in which they can be found, and to briefly describe how compliance is assured if the reference document(s) does not provide this information. This information can give the external peer reviewer a better understanding of how the organization operates. It can also be helpful in determining the nature and extent of the review procedures to be performed to assess the organization's compliance with its established policies and procedures.

The reviewer should follow guidance in workpaper D12 in using a risk-based approach in selecting questions for follow-up. For those questions chosen for follow-up, the reviewer should assess the policy or procedure referenced by the audit organization and check yes, no, or N/A (not applicable). To the far right of each question is a "comments" column that should be used to qualify or explain a yes or no response, if necessary. For every question the reviewer answers with a "no," information about the type of deficiency or deviation noted should be recorded on the form, "Matters for Further Consideration," under the appropriate standard.

In conducting this review, the review team should recognize that the nature, extent, and formality of an audit organization's quality control system will vary based on the audit organization's circumstances, such as the audit organization's size, number of offices and geographic dispersion, the knowledge and experience of its personnel, the nature and complexity of its audit work, and cost-benefit considerations. The system established and the extent of its documentation is a matter of professional judgment and will vary based on the audit organization's circumstances. The team should consider these factors in studying and evaluating the quality control system in place for each audit organization.

#### **References to Standards**

The guide includes references to the following professional literature:

*GAO Government Auditing Standards, 2018 Revision*





























Agency Policies and Procedures | Financial Audit | Coversheet

Audit Organization Under Review [Yellow box]

Audit Organization Staff Who Completed Form [Yellow box]

Review Team Member(s) Who Completed Form [Yellow box]

External Peer Review Team Leader [Yellow box]

Date Completed [Yellow box]

Audit Organization’s Quality Control Policies and Procedures for Financial Audits

Purpose and Format

The National State Auditors Association’s external peer review program is designed to provide an independent assessment of an audit organization’s system of quality control. As defined in the Association’s “Policies and Procedures for the External Peer Review Program,” such a system encompasses the audit organization’s leadership, emphasis on performing high quality work, and the organization’s policies and procedures designed to provide reasonable assurance of complying with professional standards and applicable legal and regulatory requirements.

This checklist is designed to obtain information about the audit organization’s quality control policies and procedures and to allow the external peer review team to assess those policies and procedures to determine whether they are adequate. The checklist is broken down into the following sections:

- AICPA Standards relating to General Principles and Responsibilities
• AICPA Standards relating to Risk Assessment and Response to Assessed Risks
• AICPA Standards relating to Audit Evidence
• AICPA Standards relating to Using the Work of Others
• Additional GAGAS Requirements for Performing Financial Audits
• AICPA Standards relating to Audit Conclusions and Reporting
• Additional GAGAS Requirements for Reporting on Financial Audits
• AICPA Standards relating to Special Considerations
• AICPA Standards relating to Special Considerations in the United States

Within each section is a series of questions for each standard under the section. These questions ask about the policies and procedures the organization has in place to provide reasonable assurance that its audit work complies with the standards in that section. These questions generally are tied to the two categories of requirements contained in GAAS and GAGAS:

- a. Unconditional requirements: Auditors and audit organizations must comply with an unconditional requirement in all cases where such requirement is relevant. GAAS and GAGAS use the word must to indicate an unconditional requirement.
b. Presumptively mandatory requirements: Auditors and audit organizations must comply with a presumptively mandatory requirement in all cases where such a requirement is relevant except in rare circumstances. GAAS and GAGAS uses the word should to indicate a presumptively mandatory requirement.

Instructions for Completing this Form

Audit Organization

The audit organization under review should complete the areas that are shaded in orange. All other parts of the checklist should be completed by the external peer review team.

Under the audit organization columns, you are asked to reference your applicable quality control policies and procedures, or the documents in which they can be found. As it applies to your organization, reference the policies and procedures related to audit work done in-house as well as to audit work conducted on a contractual basis. All answers should be cross-referenced to the source documents and, whenever feasible, copies of the source documents should be attached to the questionnaire. If your organization has a comprehensive audit manual or a quality control document covering its policies and procedures, it is preferred that you cross-reference and attach a complete version of that manual or document. Manual references should be as specific as possible to facilitate the review process.

If the reference document does not clearly explain how compliance is assured, please briefly describe how compliance is assured in the space provided. This information will give the external peer review team a better understanding of how the organization operates and of the internal controls it has in place. It can also be useful for the external peer reviewers in determining the amount or nature of the test work that will be performed to assess your organization's compliance with its quality control system.

Audit organizations should also identify when the referenced policy and procedure has substantially changed since the last peer review. This information will assist the peer review team with its risk-based review of policies and procedures. A substantial change is one that either represents a consequential change in the organization's policy or procedures to meet the requirement, or significant revision to the documentation or communication of the policy or procedure. A substantial change would include situations where the referenced policies or procedures were re-created or re-written, updated to meet new or changed requirements of professional standards, modified to change or correct the understanding or application of professional standards, modified to change or correct the audit approach or methodology, etc. A substantial change would not include inconsequential updates, corrections or wording changes to a policy or procedure, typographical or formatting changes, updates to citations to professional standards in instances where requirements of professional standards did not change, etc. If the audit organization is unsure how to complete this column, they should discuss their questions with the peer review team leader.

The external peer review team will review these specific policies, procedures or documents as part of its assessment of whether they are appropriately comprehensive and suitably designed for the organization and whether they are adequately documented. The information you provide and the attached materials should help the review team conduct the external peer review as efficiently as possible.

Because of the differences between government audit organizations, this questionnaire may not mention all the policies and procedures that might apply to your organization's operations. Carefully complete the questionnaire to identify the policies and procedures your organization has in place for ensuring that it complies with applicable professional standards.

*Note to audit organization: If policies and procedures referenced for the GAGAS General Standards (Independence, Professional Judgment, Competence, and Quality Control and Assurance) are the same for financial audits as they are for attestation engagements or performance audits, it is not necessary to complete these sections of the questionnaire again. Please reference the appropriate questionnaire where the answers to these sections can be found.*

#### *Review Team*

The portion of the form to be completed by the audit organization asks the audit organization to reference its quality control policies and procedures, or the documents in which they can be found, and to describe how compliance is assured if the reference document(s) does not provide this information. This information can give the external peer reviewer a better understanding of how the organization operates. It can also be helpful in determining the nature and extent of the test work to be performed to assess the organization's compliance with its established policies and procedures.

The reviewer should follow guidance in workpaper D12 in using a risk-based approach in selecting questions for follow-up. For those questions chosen for follow-up, the reviewer should assess the policy or procedure referenced by the audit organization and check yes, no, or N/A (not applicable). To the far right of each question is a "comments" column that should be used to qualify or explain a yes or no response, if necessary. For every question the reviewer answers with a "no," information about the type of deficiency or deviation noted should be recorded on the form, "Matters for Further Consideration."

In conducting this review, the review team should recognize that the nature, extent, and formality of an audit organization's quality control system will vary based on the audit organization's circumstances, such as the audit organization's size, number of offices and geographic dispersion, knowledge and experience of its personnel, nature and complexity of its audit work, and cost-benefit considerations. The system established and the extent of its documentation is a matter of professional judgment and will vary based on the audit organization's circumstances. The team should consider these factors in studying and evaluating the quality control system in place for each specific audit organization.

#### **References to Standards**

*The guide includes references to certain professional literature. Below is a listing:*

*AU-C Professional Standards – Statements on Auditing Standards (Clarified), AICPA (updated through SAS No. 142)*

*ASLG State and Local Governments (AICPA), as of 2022*

*GAO Government Auditing Standards, 2018 Revision*

*AAG-GAS Audit Guide - Government Auditing Standards and Single Audits (AICPA) 2022*



1.11	If the preconditions for an audit are not present, the auditor should discuss the matter with management and, unless required by law or regulation to do so, not accept the proposed audit engagement if the auditor has determined that the financial reporting framework to be applied in the preparation of the financial statements is unacceptable or if management has not agreed that it acknowledges and understands its responsibility.	AU-C 210.08								
1.12	The auditor should agree upon the terms of the audit engagement with management or those charged with governance, as appropriate.	AU-C 210.09								
1.13	The agreed-upon terms of the audit engagement should be documented in an audit engagement letter or other suitable form of written agreement and should include the following:	AU-C 210.10								
1.13.a	The objective and scope of the audit of the financial statements.	AU-C 210.10								
1.13.b	The responsibilities of the auditor.	AU-C 210.10								
1.13.c	The responsibilities of management.	AU-C 210.10								
1.13.d	A statement that because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk exists that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with GAAS.	AU-C 210.10								
1.13.e	Identification of the applicable financial reporting framework for the preparation of the financial statements.	AU-C 210.10								
1.13.f	Reference to the expected form and content of any reports to be issued by the auditor and a statement that circumstances may arise in which a report may differ from its expected form and content.	AU-C 210.10								
1.14	Before accepting an engagement for an initial audit, including a reaudit engagement, the auditor should:	AU-C 210.11-.12								
1.14.a	Request management to authorize the predecessor auditor to respond fully to the auditor's inquiries regarding matters that will assist the auditor in determining whether to accept the engagement. (Note: If management refuses to authorize the predecessor auditor to respond, or limits the response, the auditor should inquire about the reasons and consider the implications of that refusal in deciding whether to accept the engagement.)	AU-C 210.11-.12								
1.14.b	Evaluate the predecessor auditor's response, or consider the implications if the predecessor auditor provides no response or a limited response, in determining whether to accept the engagement.	AU-C210.11-.12								
1.15	On recurring audits, the auditor should:	AU-C 210.13								
1.15.a	Assess whether circumstances require the terms of the audit engagement to be revised.	AU-C 210.13								
1.15.b	Remind management of the terms of the engagement, and document the reminder, if the auditor concludes that the terms of the preceding engagement need not be revised for the current engagement.	AU-C 210.13								
1.16	With regard to accepting a change in the terms of the audit engagement the auditor should:	AU-C 210.14-.16								
1.16.a	Not agree to a change in the terms of the audit engagement when no reasonable justification for doing so exists.	AU-C 210.14								
1.16.b	Determine whether reasonable justification for doing so exists, if prior to the completion of the audit, the auditor is requested to change the audit engagement to an engagement for which the auditor obtains a lower level of assurance.	AU-C 210.15								
1.16.c	Require, if the terms of the audit engagement are changed, the auditor and management to agree on and document the new terms of the engagement in an engagement letter or other suitable form of written agreement.	AU-C 210.16								
1.17	If the auditor concludes that no reasonable justification for a change of the terms of the audit engagement exists and is not permitted by management to continue the original audit engagement, the auditor should:	AU-C 210.17								
1.17.a	Withdraw from the audit engagement when possible under applicable law or regulation.	AU-C 210.17								
1.17.b	Communicate the circumstances to those charged with governance.	AU-C 210.17								
1.17.c	Determine whether any obligation, either legal, contractual, or otherwise, exists to report the circumstances to other parties, such as owners, or regulators.	AU-C 210.17								

1.18	If law or regulation prescribes a specific layout, form, or wording of the auditor's report that significantly differs from the requirements of GAAS, the auditor should evaluate whether users might misunderstand the auditor's report and, if so, whether the auditor would be permitted to reword the prescribed form to be in accordance with the requirements of GAAS or attach a separate report. (Note: If the auditor determines that rewording the prescribed form or attaching a separate report would not be permitted or would not mitigate the risk of users misunderstanding the auditor's report, the auditor should not accept the audit engagement unless the auditor is required by law or regulation to do so.)	AU-C 210.18								
<b>Quality Control for an Engagement Conducted in Accordance with Generally Accepted Auditing Standards</b>										
1.19	The engagement partner (or equivalent) should take responsibility for the overall quality on each audit engagement to which that partner is assigned.	AU-C 220.10								
1.20	With regard to relevant ethical requirements, the engagement partner (or equivalent) and other members of the engagement team should:	AU-C 220.11-.12								
1.20.a	Remain alert for evidence of noncompliance with relevant ethical requirements by members of the engagement team throughout the audit engagement.	AU-C 220.11								
1.20.b	Consult with others in the organization as appropriate to determine that appropriate action has been taken if matters come to the engagement partner's (or equivalent's) attention that indicate that members of the engagement team have not complied with relevant ethical requirements.	AU-C 220.12								
1.21	The engagement partner (or equivalent) should form a conclusion on compliance with independence requirements that apply to the audit engagement.	AU-C 220.13								
1.22	The engagement partner (or equivalent) should be satisfied that the engagement team and any auditor's external specialists, collectively, have the appropriate competence and capabilities to:	AU-C 220.16								
1.22.a	Perform the audit engagement in accordance with professional standards and applicable legal and regulatory requirements.	AU-C 220.16								
1.22.b	Enable an auditor's report that is appropriate in the circumstances to be issued.	AU-C 220.16								
1.23	The engagement partner (or equivalent) should take responsibility for the following:	AU-C 220.17								
1.23.a	The direction, supervision, and performance of the audit engagement in compliance with professional standards, applicable legal and regulatory requirements, and the organization's policies and procedures.	AU-C 220.17								
1.23.b	The auditor's report being appropriate in the circumstances.	AU-C 220.17								
1.24	The engagement partner (or equivalent) should take responsibility for reviews of audit work being performed in accordance with the audit organization's review policies and procedures.	AU-C 220.18								
1.25	On or before the date of the auditor's report, the engagement partner (or equivalent) should, through a review of the audit documentation and discussion with the engagement team, be satisfied that sufficient appropriate audit evidence has been obtained to support the conclusions reached and for the auditor's report to be issued.	AU-C 220.19								
1.26	The engagement partner (or equivalent) should:	AU-C 220.20								
1.26.a	Take responsibility for the engagement team undertaking appropriate consultation on difficult or contentious matters.	AU-C 220.20								
1.26.b	Be satisfied that members of the engagement team have undertaken appropriate consultation during the course of the engagement, both within the engagement team and between the engagement team and others at the appropriate level within or outside the audit organization.	AU-C 220.20								
1.26.c	Be satisfied that the nature and scope of such consultations are agreed with, and conclusions resulting from such consultations are understood by, the party consulted.	AU-C 220.20								
1.26.d	Determine that conclusions resulting from such consultations have been implemented.	AU-C 220.20								
1.27	For those audit engagements, if any, for which the audit organization has determined that an engagement quality control review is required, the engagement partner (or equivalent) should:	AU-C 220.21								
1.27.a	Determine that an engagement quality control reviewer has been appointed.	AU-C 220.21								
1.27.b	Discuss significant findings or issues arising during the audit engagement, including those identified during the engagement quality control review, with the engagement quality control reviewer.	AU-C 220.21								

1.27.c	Not release the auditor's report until the completion of the engagement quality control review.	AU-C 220.21								
1.28	The engagement quality control reviewer should perform an objective evaluation of the significant judgments made by the engagement team and the conclusions reached in formulating the auditor's report, including:	AU-C 220.22								
1.28.a	Discussion of significant findings or issues with the engagement partner (or equivalent).	AU-C 220.22								
1.28.b	Reading the financial statements and the proposed auditor's report.	AU-C 220.22								
1.28.c	Reviewing selected audit documentation relating to the significant judgments the engagement team made and the related conclusions it reached.	AU-C 220.22								
1.28.d	Evaluating the conclusions reached in formulating the auditor's report and considering whether the proposed auditor's report is appropriate.	AU-C 220.22								
1.29	If differences of opinion arise within the engagement team; with those consulted; or, when applicable, between the engagement partner (or equivalent) and the engagement quality control reviewer, the engagement team should follow the audit organization's policies and procedures for resolving differences of opinion.	AU-C 220.23								
1.30	With regard to monitoring, the engagement partner (or equivalent) should consider:	AU-C 220.24								
1.30.a	The results of the audit organization's monitoring process as evidenced in the latest information circulated to the engagement partner (or equivalent) by the audit organization.	AU-C 220.24								
1.30.b	Whether deficiencies noted in that information may affect the audit engagement.	AU-C 220.24								
1.31	The auditor should include the following in the audit documentation:	AU-C 220.25								
1.31.a	Issues identified with respect to compliance with relevant ethical requirements and how they were resolved.	AU-C 220.25								
1.31.b	Conclusions on compliance with independence requirements that apply to the audit engagement and any relevant discussions with the audit organization that support these conclusions.	AU-C 220.25								
1.31.c	Conclusions reached regarding the acceptance and continuance of client relationships and audit engagements.	AU-C 220.25								
1.31.d	The nature and scope of, and conclusions resulting from, consultations undertaken during the course of the audit engagement.	AU-C 220.25								
1.32	The engagement quality control reviewer should document, for the audit engagement reviewed, the following:	AU-C 220.26								
1.32.a	That the procedures required by the audit organization's policies on engagement quality control review have been performed.	AU-C 220.26								
1.32.b	The date that the engagement quality control review was completed.	AU-C 220.26								
1.32.c	That the reviewer is not aware of any unresolved matters that would cause the reviewer to believe that the significant judgments that the engagement team made and the conclusions it reached were not appropriate.	AU-C 220.26								
<b>Audit Documentation</b>										
1.33	The auditor should prepare audit documentation on a timely basis.	AU-C 230.07								
1.34	The auditor should prepare audit documentation that is sufficient enough to enable an experienced auditor, having no previous connection to the audit, to understand:	AU-C 230.08								
1.34.a	The nature, timing, and extent of the audit procedures performed to comply with GAAS and applicable legal and regulatory requirements.	AU-C 230.08								
1.34.b	The results of the audit procedures performed, and the audit evidence obtained.	AU-C 230.08								
1.34.c	Significant findings or issues arising during the audit, the conclusions reached thereon, and significant professional judgments made in reaching those conclusions.	AU-C 230.08								
1.35	In documenting the nature, timing, and extent of audit procedures performed, the auditor should record:	AU-C 230.09								
1.35.a	The identifying characteristics of the specific items or matters tested.	AU-C 230.09								
1.35.b	Who performed the audit work and the date such work was completed.	AU-C 230.09								
1.35.c	Who reviewed the audit work performed and the date and extent of such review.	AU-C 230.09								
1.36	For audit procedures related to the inspection of significant contracts or agreements, the auditor should include abstracts or copies of those contracts or agreements in the audit documentation.	AU-C 230.10								

1.37	The auditor should document discussions of significant findings or issues with management, those charged with governance, and others, including the nature of the significant findings or issues discussed, and when and with whom the discussions took place.	AU-C 230.11								
1.38	If the auditor identified information that is inconsistent with the auditor's final conclusion regarding a significant finding or issue, the auditor should document how the auditor addressed the inconsistency.	AU-C 230.12								
1.39	If, in rare circumstances, the auditor judges it necessary to depart from a relevant presumptively mandatory requirement, the auditor must document the justification for the departure and how the alternative audit procedures performed in the circumstances were sufficient to achieve the intent of that requirement.	AU-C 230.13, 200.26								
1.40	If, in rare circumstances, the auditor performs new or additional audit procedures or draws new conclusions after the date of the auditor's report, the auditor should document:	AU-C 230.14								
1.40.a	The circumstances encountered.	AU-C 230.14								
1.40.b	The new or additional audit procedures performed, audit evidence obtained, and conclusions reached, and their effect on the auditor's report.	AU-C 230.14								
1.40.c	When and by whom the resulting changes to audit documentation were made and reviewed.	AU-C 230.14								
1.41	The auditor should document the report release date in the audit documentation.	AU-C 230.15								
1.42	The auditor should assemble the audit documentation in an audit file and complete the administrative process of assembling the final audit file on a timely basis, no later than 60 days following the report release date.	AU-C 230.16								
1.43	After the documentation completion date, the auditor should not delete or discard audit documentation of any nature before the end of the specified retention period (such retention period should not be shorter than five years from the report release date).	AU-C 230.17								
1.44	In circumstances other than those addressed in AU-C 230.14 (see question 1.40) in which the auditor finds it necessary to modify existing audit documentation or add new audit documentation after the documentation completion date, the auditor should, regardless of the nature of the modifications or additions, document the specific reasons for making the changes and when and by whom they were made and reviewed.	AU-C 230.18								
1.45	The auditor should adopt reasonable procedures to maintain the confidentiality of the auditee's information.	AU-C 230.19								
<b>Consideration of Fraud in a Financial Statement Audit</b>										
1.46	The auditor should maintain professional skepticism throughout the audit, recognizing the possibility that a material misstatement due to fraud could exist, notwithstanding the auditor's past experience of the honesty and integrity of the entity's management and those charged with governance.	AU-C 240.12								
1.47	If conditions identified during the audit cause the auditor to believe that a document may not be authentic or that terms in a document have been modified but not disclosed to the auditor, the auditor should investigate further.	AU-C 240.13								
1.48	When responses to inquiries of management, those charged with governance, or others are inconsistent or otherwise unsatisfactory (for example, vague or implausible), the auditor should further investigate the inconsistencies or unsatisfactory responses.	AU-C 240.14								
1.49	Key members of the engagement team should discuss ("brainstorm") about how and where the entity's financial statements (including the individual statements and the disclosures) might be susceptible to material misstatement due to fraud, how management could perpetrate and conceal fraudulent financial reporting, and how assets of the entity could be misappropriated, including:	AU-C 240.15								
1.49.a	Known external and internal factors affecting the entity that may create an incentive or pressure for management or others to commit fraud, provide the opportunity for fraud to be perpetrated, and indicate a culture or environment that enables management or others to rationalize committing fraud.	AU-C 240.15								
1.49.b	The risk of management override of controls.	AU-C 240.15								
1.49.c	Consideration of circumstances that might be indicative of earnings management or manipulation of other financial measures and the practices that might be followed by management to manage earnings or other financial measures that could lead to fraudulent financial reporting.	AU-C 240.15								

1.49.d	The importance of maintaining professional skepticism throughout the audit regarding the potential for material misstatement due to fraud.	AU-C 240.15								
1.49.e	How the auditor might respond to the susceptibility of the entity's financial statements to material misstatement due to fraud.	AU-C 240.15								
1.50	Communication among the engagement team members about the risks of material misstatement due to fraud should continue throughout the audit, particularly upon discovery of new facts during the audit.	AU-C 240.15								
1.51	When performing risk assessment procedures and related activities to obtain an understanding of the entity and its environment, including the entity's internal control, the auditor should make the following inquiries of management to obtain information for use in identifying the risks of material misstatement due to fraud:	AU-C 240.16-.17								
1.51.a	Management's assessment of the risk that the financial statements may be materially misstated due to fraud, including the nature, extent, and frequency of such assessments.	AU-C 240.17								
1.51.b	Management's process for identifying, responding to, and monitoring the risks of fraud in the entity, including any specific risks of fraud that management has identified or that have been brought to its attention, or classes of transactions, account balances, or disclosures for which a risk of fraud it likely to exist.	AU-C 240.17								
1.51.c	Management's communication, if any, to those charged with governance regarding its processes for identifying and responding to the risks of fraud in the entity.	AU-C 240.17								
1.51.d	Management's communication, if any, to employees regarding its views on business practices and ethical behavior.	AU-C 240.17								
1.51.e	Whether the entity has entered into any significant unusual transactions and, if so, the nature, terms, and business purpose (or the lack thereof) of those transactions and whether such transactions involved related parties.	AU-C 240.17								
1.52	The auditor should make inquiries of management, and others within the entity as appropriate, to determine whether they have knowledge of any actual, suspected, or alleged fraud affecting the entity.	AU-C 240.18								
1.53	For those entities that have an internal audit function, the auditor should make inquiries of appropriate individuals within the internal audit function to obtain their views about the risks of fraud; determine whether they have knowledge of any actual, suspected, or alleged fraud affecting the entity; whether they have performed any procedures to identify or detect fraud during the year; whether management has satisfactorily responded to any findings resulting from these procedures; and whether they are aware that the entity has entered into any significant unusual transactions.	AU-C 240.19								
1.54	The auditor should (unless all of those charged with governance are involved in managing the entity):	AU-C 240.20-.21								
1.54.a	Obtain an understanding of how those charged with governance exercise oversight of management's processes for identifying and responding to the risks of fraud in the entity and the internal control that management has established to mitigate those risks.	AU-C 240.20								
1.54.b	Make inquiries of those charged with governance to determine their views about the risks of fraud, whether they have knowledge of any actual, suspected, or alleged fraud affecting the entity, and whether the entity has entered into any significant unusual transactions.	AU-C 240.21								
1.55	Based on analytical procedures performed as part of risk assessment procedures, the auditor should evaluate whether unusual or unexpected relationships that have been identified indicate risks of material misstatement due to fraud.	AU-C 240.22								
1.56	The auditor should consider whether other information obtained by the auditor indicates risks of material misstatement due to fraud.	AU-C 240.23								
1.57	The auditor should evaluate whether the information obtained from the risk assessment procedures and related activities performed indicates that one or more fraud risk factors are present.	AU-C 240.24								
1.58	The auditor should identify and assess the risks of material misstatement due to fraud at the financial statement level, and at the assertion level for classes of transactions, account balances, and disclosures. The risk assessment should be ongoing throughout the audit, following the initial assessment.	AU-C 240.25								

1.59	When identifying and assessing the risks of material misstatement due to fraud, the auditor should, based on a presumption that risks of fraud exist in revenue recognition, evaluate which types of revenue, revenue transactions, or assertions give rise to such risks. If the auditor concludes that the presumption is not applicable in the circumstances, and has not identified revenue recognition as a risk of material misstatement due to fraud, the auditor should include in the audit documentation the reasons for that conclusion.	AU-C 240.26, .46								
1.60	The auditor should treat those assessed risks of material misstatement due to fraud as significant risks and, accordingly, to the extent not already done so, obtain an understanding of the entity's related controls, including control activities, relevant to such risks, including the evaluation of whether such controls have been suitably designed and implemented to mitigate such fraud risks.	AU-C 240.27								
1.61	The auditor should determine overall responses to address the assessed risks of material misstatement due to fraud at the financial statement level.	AU-C 240.28								
1.62	In determining overall responses to address the assessed risks of material misstatement due to fraud at the financial statement level, the auditor should:	AU-C 240.29								
1.62.a	Assign and supervise personnel, taking into account the knowledge, skill, and ability of the individuals to be given significant engagement responsibilities and the auditor's assessment of the risks of material misstatement due to fraud for the engagement.	AU-C 240.29								
1.62.b	Evaluate whether the selection and application of accounting policies by the entity, particularly those related to subjective measurements and complex transactions, may be indicative of fraudulent financial reporting resulting from management's effort to manage earnings, or a bias that may create a material misstatement.	AU-C 240.29								
1.62.c	Incorporate an element of unpredictability in the selection of the nature, timing, and extent of audit procedures.	AU-C 240.29								
1.63	The auditor should design and perform further audit procedures whose nature, timing, and extent are responsive to the assessed risks of material misstatement due to fraud at the assertion level.	AU-C 240.30								
1.64	The auditor should address the risk of management override of controls apart from any conclusions regarding the existence of more specifically identifiable risks by designing and performing audit procedures to:	AU-C 240.32								
1.64.a	Test the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements, including entries posted directly to financial statement drafts.	AU-C 240.32								
1.64.b	Review accounting estimates for biases and evaluate whether the circumstances producing the bias, if any, represent a risk of material misstatement due to fraud.	AU-C 240.32								
1.64.c	Evaluate, given the auditor's understanding of the entity and its environment and other information obtained during the audit, whether the business purpose (or the lack thereof) of significant unusual transactions suggests that they may have been entered into to engage in fraudulent financial reporting or to conceal misappropriation of assets.	AU-C 240.32								
1.65	The auditor should determine whether, in order to respond to the identified risks of management override of controls, the auditor needs to perform other audit procedures in addition to those specifically referred to in question 1.64.	AU-C 240.33								
1.66	The auditor should evaluate, at or near the end of the audit, whether the accumulated results of auditing procedures (including analytical procedures that were performed as substantive tests or when forming an overall conclusion) affect the assessment of the risks of material misstatement due to fraud made earlier in the audit or indicate a previously unrecognized risk of material misstatement due to fraud.	AU-C 240.34								
1.67	If the auditor identifies a misstatement, the auditor should evaluate whether such a misstatement is indicative of fraud, and if so, evaluate the implications of the misstatement with regard to other aspects of the audit, particularly the auditor's evaluation of materiality, management and employee integrity, and the reliability of management representations, recognizing that an instance of fraud is unlikely to be an isolated occurrence.	AU-C 240.35								

1.68	If the auditor identifies a misstatement, whether material or not, and the auditor has reason to believe that it is, or may be, the result of fraud and that management (in particular, senior management) is involved, the auditor should reevaluate the assessment of the risks of material misstatement due to fraud and its resulting effect on the nature, timing, and extent of audit procedures to respond to the assessed risks. The auditor should also consider whether circumstances or conditions indicate possible collusion involving employees, management, or third parties when reconsidering the reliability of evidence previously obtained.	AU-C 240.36								
1.69	If the auditor concludes that, or is unable to conclude whether, the financial statements are materially misstated as a result of fraud, the auditor should evaluate the implications for the audit.	AU-C 240.37								
1.70	If, as a result of identified fraud or suspected fraud, the auditor encounters circumstances that bring into question the auditor's ability to continue performing the audit, the auditor should:	AU-C 240.38								
1.70.a	Determine the professional and legal responsibilities applicable in the circumstances, including whether a requirement exists for the auditor to report to the person or persons who engaged the auditor or, in some cases, to regulatory authorities.	AU-C 240.38								
1.70.b	Consider whether it is appropriate to withdraw from the engagement, when withdrawal is possible under applicable law or regulation.	AU-C 240.38								
1.70.c	If the auditor withdraws, discuss with the appropriate level of management and those charged with governance the auditor's withdrawal from the engagement and the reasons for the withdrawal, and determine whether a professional or legal requirement exists to report to the person or persons who engaged the auditor or, in some cases, to regulatory authorities, the auditor's withdrawal from the engagement and the reasons for the withdrawal.	AU-C 240.38								
1.71	If the auditor has identified a fraud or has obtained information that indicates that a fraud may exist, the auditor should communicate these matters on a timely basis to the appropriate level of management in order to inform those with primary responsibility for the prevention and detection of fraud of matters relevant to their responsibilities.	AU-C 240.39								
1.72	Unless all of those charged with governance are involved in managing the entity, if the auditor has identified or suspects fraud involving management, employees who have significant roles in internal control, or others (when the fraud results in a material misstatement in the financial statements), the auditor should communicate these matters to those charged with governance on a timely basis.	AU-C 240.40								
1.73	If the auditor suspects fraud involving management, the auditor should communicate these suspicions to those charged with governance and discuss with them the nature, timing, and extent of audit procedures necessary to complete the audit.	AU-C 240.40								
1.74	The auditor should communicate with those charged with governance any other matters related to fraud that are, in the auditor's professional judgment, relevant to their responsibilities.	AU-C 240.41								
1.75	If the auditor identifies or suspects a fraud, the auditor should determine whether the auditor has a responsibility to report the occurrence or suspicion to a party outside the entity.	AU-C 240.42								
1.76	The auditor should include in the audit documentation of the auditor's understanding of the entity and its environment and the assessment of the risks of material misstatement the following:	AU-C 240.43								
1.76.a	The significant decisions reached during the discussion among the engagement team regarding the susceptibility of the entity's financial statements to material misstatement due to fraud, and how and when the discussion occurred and the audit team members who participated.	AU-C 240.43								
1.76.b	The identified and assessed risks of material misstatement due to fraud at the financial statement level and at the assertion level.	AU-C 240.43								
1.77	The auditor should include in the audit documentation of the auditor's responses to the assessed risks of material misstatement the following:	AU-C 240.44								
1.77.a	The overall responses to the assessed risks of material misstatement due to fraud at the financial statement level and the nature, timing, and extent of audit procedures, and the linkage of those procedures with the assessed risks of material misstatement due to fraud at the assertion level.	AU-C 240.44								

1.77.b	The results of the audit procedures, including those designed to address the risk of management override of controls.	AU-C 240.44							
1.78	The auditor should include in the audit documentation communications about fraud made to management, those charged with governance, regulators, and others.	AU-C 240.45							
<b>Consideration of Laws and Regulations in an Audit of Financial Statements</b>									
1.79	As part of obtaining an understanding of the entity and its environment, the auditor should obtain a general understanding of the following:	AU-C 250.12							
1.79.a	The legal and regulatory framework applicable to the entity and the industry or sector in which the entity operates.	AU-C 250.12							
1.79.b	How the entity is complying with that framework.	AU-C 250.12							
1.80	The auditor should obtain sufficient appropriate audit evidence regarding material amounts and disclosures in the financial statements that are determined by the provisions of those laws and regulations generally recognized to have a direct effect on their determination.	AU-C 250.13							
1.81	The auditor should perform the following audit procedures that may identify instances of noncompliance with other laws and regulations that may have a material effect on the financial statements:	AU-C 250.14							
1.81.a	Inquiring of management, and when appropriate, those charged with governance about whether the entity is in compliance with such laws and regulations.	AU-C 250.14							
1.81.b	Inspecting correspondence, if any, with the relevant licensing or regulatory authorities.	AU-C 250.14							
1.82	During the audit, the auditor should remain alert to the possibility that other audit procedures applied may bring instances of noncompliance or suspected noncompliance with laws and regulations to the auditor's attention.	AU-C 250.15							
1.83	If the auditor becomes aware of information concerning an instance of noncompliance or suspected noncompliance with laws and regulations, the auditor should obtain:	AU-C 250.17							
1.83.a	An understanding of the nature of the act and the circumstances in which it occurred.	AU-C 250.17							
1.83.b	Further information to evaluate the possible effect on the financial statements.	AU-C 250.17							
1.84	If the auditor suspects noncompliance may exist, the auditor should discuss the matter with management and, when appropriate, those charged with governance.	AU-C 250.18							
1.85	If management or, as appropriate, those charged with governance do not provide sufficient information that supports that the entity is in compliance with laws and regulations and, in the auditor's professional judgment, the effect of the suspected noncompliance may be material to the financial statements, the auditor should consider the need to obtain legal advice.	AU-C 250.18							
1.86	If sufficient information about suspected noncompliance cannot be obtained, the auditor should evaluate the effect of the lack of sufficient appropriate audit evidence on the auditor's opinion.	AU-C 250.19							
1.87	The auditor should evaluate the implications of noncompliance in relation to other aspects of the audit, including the auditor's risk assessment and the reliability of written representations, and take appropriate action.	AU-C 250.20							
1.88	Unless all of those charged with governance are involved in management of the entity and aware of matters involving identified or suspected noncompliance already communicated by the auditor, the auditor should communicate with those charged with governance matters involving noncompliance with laws and regulations that come to the auditor's attention during the course of the audit, other than when the matters are clearly inconsequential.	AU-C 250.21							
1.89	If, in the auditor's professional judgment, the noncompliance referred to above is believed to be intentional and material, the auditor should communicate the matter to those charged with governance as soon as practicable.	AU-C 250.22							
1.90	If the auditor suspects that management or those charged with governance are involved in noncompliance, the auditor should communicate the matter to the next higher level of authority at the entity, if it exists. (Note: When no higher authority exists, or if the auditor believes that the communication may not be acted upon or is unsure about the person to whom to report the auditor should consider the need to obtain legal advice.)	AU-C 250.23							
1.91	If the auditor concludes that the noncompliance has a material effect on the financial statements, and it has not been adequately reflected in the financial statements, the auditor should express a qualified or adverse opinion on the financial statements.	AU-C 250.24							

1.92	If the auditor is precluded by management or those charged with governance from obtaining sufficient appropriate audit evidence to evaluate whether noncompliance that may be material to the financial statements has, or is likely to have, occurred, the auditor should express a qualified opinion or disclaim an opinion on the financial statements on the basis of a limitation on the scope of the audit.	AU-C 250.25							
1.93	If the auditor is unable to determine whether noncompliance has occurred because of limitations imposed by the circumstances rather than by management or those charged with governance, the auditor should evaluate the effect on the auditor's opinion.	AU-C 250.26							
1.94	If the auditor has identified or suspects noncompliance with laws and regulations, the auditor should determine whether the auditor has a responsibility to report the identified or suspected noncompliance to parties outside the entity.	AU-C 250.27							
1.95	The auditor should include in the audit documentation a description of the identified or suspected noncompliance with laws and regulations and the results of discussion with management and, when applicable, those charged with governance and other parties inside or outside the entity.	AU-C 250.28							
<b>The Auditor's Communication With Those Charged With Governance</b>									
1.96	The auditor should determine the appropriate person(s) within the entity's governance structure with whom to communicate.	AU-C 260.07							
1.97	If the auditor communicates with a subgroup of those charged with governance, such as the audit committee or an individual, the auditor should determine whether the auditor also needs to communicate with the governing body.	AU-C 260.08							
1.98	When all of those charged with governance are involved in managing the entity, the auditor should be satisfied that communication with persons(s) with management responsibilities adequately informs all of those with whom the auditor would otherwise communicate in their governance capacity.	AU-C 260.09							
1.99	The auditor should communicate with those charged with governance the auditor's responsibilities with regard to the financial statement audit, including that:	AU-C 260.10							
1.99.a	The auditor is responsible for forming and expressing an opinion about whether the financial statements that have been prepared by management, with the oversight of those charged with governance, are prepared, in all material respects, in conformity with the applicable financial reporting framework.	AU-C 260.10							
1.99.b	The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.	AU-C 260.10							
1.100	The auditor should communicate with those charged with governance an overview of the planned scope and timing of the audit, which includes communicating about the significant risks identified by the auditor.	AU-C 260.11							
1.101	The auditor should communicate with those charged with governance the following:	AU-C 260.12							
1.101.a	The auditor's views about qualitative aspects of the entity's significant accounting practices, including accounting policies, accounting estimates, and financial statement disclosures.	AU-C 260.12							
1.101.b	Significant unusual transactions, if any.	AU-C 260.12							
1.101.c	Significant difficulties, if any, encountered during the audit.	AU-C 260.12							
1.101.d	Disagreements with management, if any.	AU-C 260.12							
1.101.e	Circumstances that affect the form and content of the auditor's report, if any.	AU-C 260.12							
1.101.f	Matters that are difficult or contentious for which the auditor consulted outside the engagement team and that are, in the auditor's professional judgment, significant and relevant to those charged with governance regarding their responsibility to oversee the financial reporting process.	AU-C 260.12							
1.101.g	Other findings or issues, if any, arising during the audit that are, in the auditor's professional judgment, significant and relevant to those charged with governance regarding their responsibility to oversee the financial reporting process.	AU-C 260.12							
1.102	The auditor should communicate with those charged with governance the following:	AU-C 260.13							
1.102.a	Uncorrected misstatements accumulated by the auditor and the effect that they, individually or in the aggregate, may have on the opinion in the auditor's report. The auditor's communication should identify material uncorrected misstatements individually. The auditor should request that the uncorrected misstatements be corrected.	AU-C 260.13							

1.102.b	The effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole.	AU-C 260.13							
1.102.c	That uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even if the auditor has concluded that the uncorrected misstatements are immaterial to the financial statements under audit.	AU-C 260.13							
1.103	Unless all of those charged with governance are involved in managing the entity, the auditor should also communicate the following:	AU-C 260.14							
1.103.a	Material, corrected misstatements that were brought to the attention of management as a result of audit procedures.	AU-C 260.14							
1.103.b	Significant findings or issues arising during the audit that were discussed, or were the subject of correspondence, with management.	AU-C 260.14							
1.103.c	The auditor's views about significant matters that were the subject of management's consultations with other accountants on accounting or auditing matters when the auditor is aware that such consultation has occurred.	AU-C 260.14							
1.103.d	Written representations the auditor is requesting.	AU-C 260.14							
1.104	The auditor should communicate with those charged with governance the form, timing, and expected general content of communications.	AU-C 260.15							
1.105	The auditor should communicate in writing with those charged with governance significant findings or issues from the audit if, in the auditor's professional judgment, oral communication would not be adequate. (This communication need not include matters that arose during the course of the audit that were communicated with those charged with governance and satisfactorily resolved.)	AU-C 260.16							
1.105.a	If, as part of its communication to those charged with governance, management communicated some or all of the matters the auditor is required to communicate, and as a result, the auditor did not communicate these matters at the same level of detail as management, the auditor should communicate any omitted or inadequately described matters to those charged with governance. The auditor does not need to communicate them at the same level of detail as management, as long as the auditor (a) participated in management's discussion with those charged with governance, and (b) affirmatively confirmed to those charged with governance that management has adequately	AU-C 260.17							
1.106	When the auditor communicates matters in accordance with AU-C 260 in writing, the auditor should indicate in the communication that it is intended solely for the information and use of those charged with governance and, if appropriate, management, and is not intended to be, and should not be, used by anyone other than these specified parties.	AU-C 260.18							
1.107	The auditor should communicate with those charged with governance on a timely basis.	AU-C 260.19							
1.108	The auditor should evaluate whether the two-way communication between the auditor and those charged with governance has been adequate for the purpose of the audit. If it has not been adequate, the auditor should evaluate the effect, if any, on the auditor's assessment of the risks of material misstatement and ability to obtain sufficient appropriate audit evidence and take appropriate action.	AU-C 260.20							
1.109	When matters required to be communicated with those charged with governance have been communicated orally, the auditor should include them in the audit documentation, including when and to whom they were communicated. When matters have been communicated in writing, the auditor should retain a copy of the communication as part of the audit documentation. If, as part of its communication to those charged with governance, management communicated some or all of the matters the auditor is required to communicate, and as a result, the auditor did not communicate these matters at the same level of detail as management, the auditor should include a copy or summary of management's communications provided to those charged with governance in the audit documentation.	AU-C 260.21							
<b>Communicating Internal Control Related Matters Identified in an Audit</b>									
1.110	The auditor should determine whether, on the basis of the audit work performed, the auditor has identified one or more deficiencies in internal control.	AU-C 265.08							

1.111	If the auditor has identified one or more deficiencies in internal control, the auditor should evaluate each deficiency to determine, on the basis of the audit work performed, whether, individually or in combination, they constitute significant deficiencies or material weaknesses.	AU-C 265.09							
1.112	If the auditor initially determines that a deficiency, or a combination of deficiencies, in internal control is not a material weakness, the auditor should consider whether prudent officials, having knowledge of the same facts and circumstances, would likely reach the same conclusion.	AU-C 265.10							
1.113	The auditor should communicate in writing to those charged with governance on a timely basis (no later than 60 days following the report release date) significant deficiencies and material weaknesses identified during the audit, including those that were remediated during the audit.	AU-C 265.11, .13							
1.114	The auditor should also communicate to management at an appropriate level of responsibility, on a timely basis (no later than 60 days following the report release date):	AU-C 265.12-.13							
1.114.a	In writing, significant deficiencies and material weaknesses that the auditor has communicated or intends to communicate to those charged with governance, unless it would be inappropriate to communicate directly to management in the circumstances.	AU-C 265.12							
1.114.b	In writing or orally, other deficiencies in internal control identified during the audit that have not been communicated to management by other parties and that, in the auditor's professional judgment, are of sufficient importance to merit management's attention. If other deficiencies in internal control are communicated orally, the auditor should document the communication.	AU-C 265.12							
1.115	The auditor should include the following in the auditor's written communication of significant deficiencies and material weaknesses:	AU-C 265.14							
1.115.a	The definition of the term material weakness and, where relevant, the definition of the term significant deficiency.	AU-C 265.14							
1.115.b	A description of the significant deficiencies and material weaknesses and an explanation of their potential effects.	AU-C 265.14							
1.115.c	Sufficient information to enable those charged with governance and management to understand the context of the communication, including the following elements that explain that:	AU-C 265.14							
1.115.c(1)	The purpose of the audit was for the auditor to express an opinion on the financial statements.	AU-C 265.14							
1.115.c(2)	The audit included consideration of internal control over financial reporting in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of internal control.	AU-C 265.14							
1.115.c(3)	The auditor is not expressing an opinion on the effectiveness of internal control.	AU-C 265.14							
1.115.c(4)	The auditor's consideration of internal control was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.	AU-C 265.14							
1.115.d	An appropriate alert, in accordance with AU-C 905, Alert That Restricts the Use of the Auditor's Written Communication.	AU-C 265.14							
1.116	When the auditor issues a written communication stating that no material weaknesses were identified during the audit, the communication should include the matters in AU-C 265.14.a, c-d (see question 1.115.a, c-d).	AU-C 265.15							
1.117	The auditor should not issue a written communication stating that no significant deficiencies were identified during the audit.	AU-C 265.16							

## 2 | AICPA Standards – Risk Assessment and Response to Assessed Risks

### Planning an Audit

2.1	The engagement partner (or equivalent) and other key members of the engagement team should be involved in planning the audit, including planning and participating in the discussion among engagement team members.	AU-C 300.05							
2.2	The auditor should undertake the following activities at the beginning of an audit engagement:	AU-C 300.06							
2.2.a	Performing procedures required by AU-C 220, Quality Control for an Engagement Conducted in Accordance With Generally Accepted Auditing Standards, regarding the continuance of the client relationship and the specific audit engagement.	AU-C 300.06							
2.2.b	Evaluating compliance with relevant ethical requirements in accordance with AU-C 220.	AU-C 300.06							

2.2.c	Establishing an understanding of the terms of the engagement as required by AU-C 210, <i>Terms of Engagement</i> .	AU-C 300.06							
2.3	In establishing an overall audit strategy that sets the scope, timing, and direction of the audit and guides the development of the audit plan, the auditor should:	AU-C 300.07-.08							
2.3.a	Identify the characteristics of the engagement that define its scope.	AU-C 300.07-.08							
2.3.b	Ascertain the reporting objectives of the engagement in order to plan the timing of the audit and the nature of the communications required.	AU-C 300.07-.08							
2.3.c	Consider the factors that, in the auditor's professional judgment, are significant in directing the engagement team's efforts.	AU-C 300.07-.08							
2.3.d	Consider the results of preliminary engagement activities and, when applicable, whether knowledge gained on other engagements performed by the engagement partner (or equivalent) for the entity is relevant.	AU-C 300.07-.08							
2.3.e	Ascertain the nature, timing, and extent of resources necessary to perform the engagement.	AU-C 300.07-.08							
2.4	The auditor should develop an audit plan that includes a description of the following:	AU-C 300.09							
2.4.a	The nature and extent of planned risk assessment procedures, as determined under AU-C 315.	AU-C 300.09							
2.4.b	The nature, timing, and extent of planned further audit procedures at the relevant assertion level, as determined under AU-C 330.	AU-C 300.09							
2.4.c	Other planned audit procedures that are required to be carried out so that the engagement complies with generally accepted auditing standards.	AU-C 300.09							
2.5	The auditor should update and change the overall audit strategy and audit plan, as necessary, during the course of the audit.	AU-C 300.10							
2.6	The auditor should plan the nature, timing, and extent of direction and supervision of engagement team members and the review of their work.	AU-C 300.11							
2.7	The auditor should consider whether specialized skills are needed in performing the audit, and if so, seek the assistance of a professional possessing such skills, who either may be on the auditor's staff or an outside professional. In such circumstances, the auditor should have sufficient knowledge to communicate the objectives of the other professional's work; evaluate whether the specified audit procedures will meet the auditor's objectives; and evaluate the results of the audit procedures applied as they relate to the nature, timing, and extent of further planned audit procedures.	AU-C 300.12							
2.8	The auditor should undertake the following activities prior to starting an initial audit:	AU-C 300.13							
2.8.a	Performing procedures required by AU-C 220.	AU-C 300.13							
2.8.b	Communicating with the predecessor auditor when there has been a change of auditors.	AU-C 300.13							
2.9	The auditor should include in the audit documentation the following:	AU-C 300.14							
2.9.a	The overall audit strategy.	AU-C 300.14							
2.9.b	The audit plan.	AU-C 300.14							
2.9.c	Any significant changes made during the audit engagement to the overall audit strategy or the audit plan and the reasons for such changes.	AU-C 300.14							
<b>Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement</b>									
2.10	The auditor should perform risk assessment procedures, to provide a basis for the identification and assessment of risks of material misstatement at the financial statement and relevant assertion levels, that include the following:	AU-C 315.05-.06							
2.10.a	Inquiries of management, appropriate individuals within the internal audit function (if such function exists), and others within the entity who, in the auditor's professional judgment, may have information that is likely to assist in identifying risks of material misstatement due to fraud or error.	AU-C 315.06							
2.10.b	Analytical procedures.	AU-C 315.06							
2.10.c	Observation and inspection.	AU-C 315.06							
2.11	The auditor should consider whether information obtained from the auditor's client acceptance or continuance process is relevant to identifying risks of material misstatement.	AU-C 315.07							
2.12	If the engagement partner (or equivalent) has performed other engagements for the entity, the engagement partner (or equivalent) should consider whether information obtained is relevant to identifying risks of material misstatement.	AU-C 315.08							

2.13	When the auditor intends to use information obtained from the auditor's previous experience with the entity and from audit procedures performed in previous audits, the auditor should determine whether changes have occurred since the previous audit that may affect its relevance to the current audit.	AU-C 315.10								
2.14	The engagement partner (or equivalent) and other key engagement team members should discuss the susceptibility of the entity's financial statements to material misstatement and the application of the applicable financial reporting framework to the entity's facts and circumstances. The engagement partner (or equivalent) should determine which matters are to be communicated to the engagement team members not involved in the discussion.	AU-C 315.11; ASLG 4.48								
2.15	In gaining an understanding of the entity and its environment, the auditor should obtain an understanding of the following:	AU-C 315.12; ASLG 4.50								
2.15.a	Relevant industry, regulatory, and other external factors, including the applicable financial reporting framework.	AU-C 315.12								
2.15.b	The nature of the entity.	AU-C 315.12								
2.15.c	The entity's selection and application of accounting policies, including the reasons for changes thereto.	AU-C 315.12								
2.15.d	The entity's objectives and strategies and those related business risks that may result in risks of material misstatement.	AU-C 315.12								
2.15.e	The measurement and review of the entity's financial performance.	AU-C 315.12								
2.16	When obtaining an understanding of controls that are relevant to the audit, the auditor should evaluate the design of those controls and determine whether they have been implemented by performing procedures in addition to inquiry of the entity's personnel.	AU-C 315.13-14								
2.17	The auditor should obtain an understanding of the control environment, including evaluating whether:	AU-C 315.15								
2.17.a	Management, with the oversight of those charged with governance, has created and maintained a culture of honesty and ethical behavior.	AU-C 315.15								
2.17.b	The strengths in the control environment elements collectively provide an appropriate foundation for the other components of internal control and whether those other components are not undermined by deficiencies in the control environment.	AU-C 315.15								
2.18	The auditor should obtain an understanding of whether the entity has a process for:	AU-C 315.16								
2.18.a	Identifying business risks relevant to financial reporting objectives.	AU-C 315.16								
2.18.b	Estimating the significance of the risks.	AU-C 315.16								
2.18.c	Assessing the likelihood of their occurrence.	AU-C 315.16								
2.18.d	Deciding about actions to address those risks.	AU-C 315.16								
2.19	If the entity has established a risk assessment process, the auditor should obtain an understanding of it and the results thereof.	AU-C 315.17								
2.20	If the auditor identifies risks of material misstatement that management failed to identify, the auditor should:	AU-C 315.17								
2.20.a	Evaluate whether an underlying risk existed that the auditor expects would have been identified by the entity's risk assessment process.	AU-C 315.17								
2.20.b	If such a risk exists, obtain an understanding of why that process failed to identify it and evaluate whether the process is appropriate to its circumstances or determine if a significant deficiency or material weakness exists in internal control regarding the entity's risk assessment process.	AU-C 315.17								
2.21	If the entity has not established a risk assessment process, or has an ad hoc process, the auditor should:	AU-C 315.18								
2.21.a	Discuss with management whether risks relevant to financial reporting objectives have been identified and how they have been addressed.	AU-C 315.18								
2.21.b	Evaluate whether the absence of a documented risk assessment process is appropriate in the circumstances or determine whether it represents a significant deficiency or material weakness in the entity's internal control.	AU-C 315.18								
2.22	The auditor should obtain an understanding of the information system, including the related business processes relevant to financial reporting, including the following areas:	AU-C 315.19								
2.22.a	The classes of transactions in the entity's operations that are significant to the financial statements.	AU-C 315.19								
2.22.b	The procedures within both IT and manual systems by which those transactions are initiated, authorized, recorded, processed, corrected as necessary, transferred to the general ledger, and reported in the financial statements.	AU-C 315.19								

2.22.c	The related accounting records (either manual or electronic form) supporting information and specific accounts in the financial statements that are used to initiate, authorize, record, process, and report transactions, including the correction of incorrect information and how information is transferred to the general ledger.	AU-C 315.19								
2.22.d	How the information system captures events and conditions, other than transactions, that are significant to the financial statements.	AU-C 315.19								
2.22.e	The financial reporting process used to prepare the entity's financial statements, including significant accounting estimates and disclosures.	AU-C 315.19								
2.22.f	Controls surrounding journal entries, including nonstandard journal entries used to record nonrecurring, unusual transactions, or adjustments.	AU-C 315.19								
2.22.g	This understanding of the information system relevant to financial reporting should include relevant aspects of that system relating to information disclosed in the financial statements that is obtained from within or outside of the general and subsidiary ledgers.	AU-C 315.19								
2.23	The auditor should obtain an understanding of how the entity communicates financial reporting roles and responsibilities and significant matters relating to financial reporting, including:	AU-C 315.20								
2.23.a	Communications between management and those charged with governance.	AU-C 315.20								
2.23.b	External communications, such as those with regulatory authorities.	AU-C 315.20								
2.24	The auditor should obtain an understanding of control activities relevant to the audit, i.e., those control activities the auditor judges it necessary to understand in order to assess the risks of material misstatement at the assertion level and design further audit procedures responsive to assessed risks. Specifically, the auditor should obtain an understanding of the process of reconciling detailed records to the general ledger for material account balances.	AU-C 315.21								
2.25	In understanding the entity's control activities, the auditor should obtain an understanding of how the entity has responded to risks arising from IT.	AU-C 315.22								
2.26	The auditor should obtain an understanding of the major activities that the entity uses to monitor internal control over financial reporting, including those related to those control activities relevant to the audit, and how the entity initiates remedial actions to deficiencies in its controls.	AU-C 315.23								
2.27	If the entity has an internal audit function, the auditor should obtain an understanding of the nature of the internal audit function's responsibilities, how the internal audit function fits in the entity's organizational structure, and the activities performed or to be performed.	AU-C 315.24								
2.28	The auditor should obtain an understanding of the sources of the information used in the entity's monitoring activities and the basis upon which management considers the information to be sufficiently reliable for the purpose.	AU-C 315.25								
2.29	In identifying and assessing the risks of material misstatement at the financial statement level and at the relevant assertion level related to classes of transactions, account balances, and disclosures, the auditor should:	AU-C 315.26-.27								
2.29.a	Identify risks throughout the process of obtaining an understanding of the entity and its environment, including relevant controls that relate to the risks, by considering the classes of transactions, account balances, and disclosures (including the quantitative and qualitative aspects of such disclosures) in the financial statements.	AU-C 315.27								
2.29.b	Assess the identified risks and evaluate whether they relate more pervasively to the financial statements as a whole and potentially affect many assertions.	AU-C 315.27								
2.29.c	Relate the identified risks to what can go wrong at the relevant assertion level, taking account of relevant controls that the auditor intends to test.	AU-C 315.27								
2.29.d	Consider the likelihood of misstatement, including the possibility of multiple misstatements, and whether the potential misstatement is of a magnitude that could result in a material misstatement.	AU-C 315.27								
2.30	As part of the risk assessment process, the auditor should determine whether any of the risks identified are, in the auditor's professional judgment, a significant risk.	AU-C 315.28-.29; ASLG 4.61								

2.31	If the auditor has determined that a significant risk exists, the auditor should obtain an understanding of the entity's controls, including control activities, relevant to that risk and, based on that understanding, evaluate whether such controls have been suitably designed and implemented to mitigate such risks.	AU-C 315.30							
2.32	For those risks that the auditor may judge that it is not possible or practicable to obtain sufficient appropriate audit evidence only from substantive procedures (such as risks related to the inaccurate or incomplete recording of routine and significant classes of transactions or account balances, the characteristics of which often permit highly automated processing with little or no manual intervention), the auditor should obtain an understanding of the entity's controls over such risks.	AU-C 315.31							
2.33	When the auditor obtains audit evidence from performing further audit procedures or if new information is obtained, either of which is inconsistent with the audit evidence on which the auditor originally based the assessment, the auditor should revise the assessment and modify the further planned audit procedures accordingly.	AU-C 315.32							
2.34	The auditor should include in the audit documentation:	AU-C 315.33							
2.34.a	The discussion among the engagement team required by AU-C 315.11, the significant decisions reached, how and when the discussion occurred, and the audit team members who participated.	AU-C 315.11, .33							
2.34.b	Key elements of the understanding obtained regarding each of the aspects of the entity and its environment, specified in AU-C 315.12 and each of the internal control components specified in AU-C 315.15-.25; the sources of information from which the understanding was obtained; and the risk assessment procedures performed.	AU-C 315.12, .15-.25, .33							
2.34.c	The identified and assessed risks of material misstatement at the financial statement level and at the relevant assertion level, as required by AU-C 315.26.	AU-C 315.26, .33							
2.34.d	The risks identified and related controls about which the auditor has obtained an understanding as a result of the requirements in AU-C 315.28-.31.	AU-C 315.28-.31, .33							
<b>Materiality in Planning and Performing an Audit</b>									
2.35	When establishing the overall audit strategy, the auditor should determine and document materiality for the financial statements as a whole.	AU-C 320.10, .14							
2.36	If one or more particular classes of transactions, account balances, or disclosures exist for which there is a substantial likelihood that misstatements of lesser amounts than materiality for the financial statements as a whole would influence the judgment made by a reasonable user based on the financial statements, the auditor should determine and document the materiality level or levels to be applied to those particular classes of transactions, account balances, or disclosures.	AU-C 320.10, .14							
2.37	The auditor should determine and document performance materiality for purposes of assessing the risks of material misstatement and determining the nature, timing, and extent of further audit procedures.	AU-C 320.11, .14							
2.38	The auditor should revise and document materiality for the financial statements as a whole (and, if applicable, the materiality level or levels for particular classes of transactions, account balances, or disclosures) in the event of becoming aware of information during the audit that would have caused the auditor to have determined a different amount (or amounts) initially.	AU-C 320.12, .14							
2.39	If the auditor concludes that a lower materiality than that initially determined for the financial statements as a whole (and, if applicable, materiality level or levels for particular classes of transactions, account balances, or disclosures) is appropriate, the auditor should determine whether it is necessary to revise performance materiality and whether the nature, timing, and extent of the further audit procedures remain appropriate, and document any revision.	AU-C 320.13-.14							
<b>Performing Audit Procedures in Response to Assessed Risks and Evaluating the Audit Evidence Obtained</b>									
2.40	The auditor should design and implement overall responses to address the assessed risks of material misstatement at the financial statement level.	AU-C 330.05; ASLG 4.65							
2.41	The auditor should design and perform further audit procedures whose nature, timing, and extent are based on, and are responsive to, the assessed risks of material misstatement at the assertion level and in a manner that is not biased towards obtaining audit evidence that may be corroborative or towards excluding audit evidence that may be contradictory.	AU-C 330.06; ASLG 4.66							

2.42	In designing the further audit procedures to be performed, the auditor should:	AU-C 330.07								
2.42.a	Consider the reasons for the assessed risk of material misstatement at the relevant assertion level for each class of transactions, account balance, and disclosure, including:	AU-C 330.07								
2.42.a.i	The likelihood of material misstatement due to the particular characteristics of the relevant class of transactions, account balance, or disclosure (the inherent risk).	AU-C 330.07								
2.42.a.ii	Whether the risk assessment takes account of relevant controls (the control risk), thereby requiring the auditor to obtain audit evidence to determine whether the controls are operating effectively (that is, the auditor intends to rely on the operating effectiveness of controls in determining the nature, timing, and extent of substantive procedures).	AU-C 330.07								
2.42.b	Obtain more persuasive audit evidence the higher the auditor's assessment of risk.	AU-C 330.07								
2.43	The auditor should design and perform tests of controls to obtain sufficient appropriate audit evidence about the operating effectiveness of relevant controls if either of the following exist:	AU-C 330.08; ASLG 4.93-95								
2.43.a	The auditor's assessment of risks of material misstatement at the relevant assertion level includes an expectation that the controls are operating effectively (that is, the auditor intends to rely on the operating effectiveness of controls in determining the nature, timing, and extent of substantive procedures).	AU-C 330.08; ASLG 4.93-95								
2.43.b	Substantive procedures alone cannot provide sufficient appropriate audit evidence at the relevant assertion level.	AU-C 330.08; ASLG 4.93-95								
2.44	In designing and performing tests of controls, the auditor should obtain more persuasive audit evidence the greater the reliance the auditor places on the effectiveness of a control.	AU-C 330.09								
2.45	In designing and performing tests of controls, the auditor should:	AU-C 330.10								
2.45.a	Perform other audit procedures in combination with inquiry to obtain audit evidence about the operating effectiveness of the controls, including:	AU-C 330.10								
2.45.a.i	How the controls were applied at relevant times during the period under audit.	AU-C 330.10								
2.45.a.ii	The consistency with which they were applied.	AU-C 330.10								
2.45.a.iii	By whom or by what means they were applied, including, when applicable, whether the person performing the control possesses the necessary authority and competence to perform the control effectively.	AU-C 330.10								
2.45.b	Determine whether the controls to be tested depend upon other controls (indirect controls) and, if so, whether it is necessary to obtain audit evidence supporting the operating effectiveness of those indirect controls.	AU-C 330.10								
2.46	The auditor should test controls for the particular time or throughout the period for which the auditor intends to rely on those controls, subject to AU-C 330.12 and .15, in order to provide an appropriate basis for the auditor's intended reliance.	AU-C 330.11								
2.47	If the auditor obtains audit evidence about the operating effectiveness of controls during an interim period, the auditor should:	AU-C 330.12								
2.47.a	Obtain audit evidence about significant changes to those controls subsequent to the interim period.	AU-C 330.12								
2.47.b	Determine the additional audit evidence to be obtained for the remaining period.	AU-C 330.12								
2.48	In determining whether it is appropriate to use audit evidence about the operating effectiveness of controls obtained in previous audits and, if so, the length of the time period that may elapse before retesting a control, the auditor should consider:	AU-C 330.13								
2.48.a	The effectiveness of other elements of internal control, including the control environment, the entity's monitoring of controls, and the entity's risk assessment process.	AU-C 330.13								
2.48.b	The risks arising from the characteristics of the control, including whether the control is manual or automated.	AU-C 330.13								
2.48.c	The effectiveness of general IT controls.	AU-C 330.13								
2.48.d	The effectiveness of the control and its application by the entity, including the nature and extent of deviations in the application of the control noted in previous audits and whether there have been personnel changes that significantly affect the application of the control.	AU-C 330.13								
2.48.e	Whether the lack of a change in a particular control poses a risk due to changing circumstances.	AU-C 330.13								

2.48.f	The risks of material misstatement and the extent of reliance on the control.	AU-C 330.13								
2.49	If the auditor plans to use audit evidence from a previous audit about the operating effectiveness of specific controls, the auditor should perform audit procedures (performing inquiry, combined with observation or inspection, to confirm the understanding of those specific controls) to establish the continuing relevance of that information to the current audit, and:	AU-C 330.14								
2.49.a	If there have been changes that affect the continuing relevance of the audit evidence from the previous audit, test the controls in the current audit.	AU-C 330.14								
2.49.b	If there have not been such changes, test the controls at least once in every third audit and test some controls during each audit to avoid the possibility of testing all the controls on which the auditor intends to rely in a single audit period with no testing of controls in the subsequent two audit periods.	AU-C 330.14								
2.50	If the auditor plans to rely on controls over a risk the auditor has determined to be a significant risk, the auditor should test the operating effectiveness of those controls in the current period.	AU-C 330.15								
2.51	When evaluating the operating effectiveness of relevant controls, the auditor should evaluate whether misstatements that have been detected by substantive procedures indicate that controls are not operating effectively.	AU-C 330.16								
2.52	If deviations from controls upon which the auditor intends to rely are detected, the auditor should make specific inquiries to understand these matters and their potential consequences and determine whether the tests of controls that have been performed provide an appropriate basis for reliance on the controls, additional tests of controls are necessary, or the potential risks of misstatement need to be addressed using substantive procedures.	AU-C 330.17								
2.53	The auditor should (irrespective of the assessed risks of material misstatement) design and perform substantive procedures for all relevant assertions related to each material class of transactions, account balance, and disclosure.	AU-C 330.18								
2.54	The auditor should consider whether external confirmation procedures are to be performed as substantive audit procedures.	AU-C 330.19								
2.55	The auditor should use external confirmation procedures for accounts receivable, except when one or more of the following is applicable:	AU-C 330.20								
2.55.a	The overall account balance is immaterial.	AU-C 330.20								
2.55.b	External confirmation procedures for accounts receivable would be ineffective.	AU-C 330.20								
2.55.c	The auditor's assessed level of risk of material misstatement at the relevant assertion level is low, and the other planned substantive procedures address the assessed risk.	AU-C 330.20								
2.56	The auditor's substantive procedures should include audit procedures related to the financial statement closing process, such as:	AU-C 330.21								
2.56.a	Agreeing or reconciling information in the financial statements with the underlying accounting records, including agreeing or reconciling information in disclosures, whether such information is obtained from within or outside of the general and subsidiary ledgers.	AU-C 330.21								
2.56.b	Examining material journal entries and other adjustments made during the course of preparing the financial statements.	AU-C 330.21								
2.57	If the auditor has determined that an assessed risk of material misstatement at the relevant assertion level is a significant risk, the auditor should perform substantive procedures that are specifically responsive to that risk. When the approach to a significant risk consists only of substantive procedures, those procedures should include tests of details.	AU-C 330.22								
2.58	If substantive procedures are performed at an interim date, to provide a reasonable basis for extending the audit conclusions from the interim date to the period-end, the auditor should cover the remaining period by performing substantive procedures, combined with tests of controls for the intervening period, or if the auditor determines that it is sufficient, further substantive procedures only.	AU-C 330.23								

2.59	If misstatements that the auditor did not expect when assessing the risks of material misstatement are detected at an interim date, the auditor should evaluate whether the related assessment of risk and the planned nature, timing, or extent of substantive procedures covering the remaining period need to be modified.	AU-C 330.24								
2.60	When designing tests of controls and tests of details, the auditor should determine the means of selecting items for testing that are effective in meeting the purpose of the audit procedure.	AU-C 330.25								
2.61	The auditor should perform audit procedures to evaluate whether the overall presentation of the financial statements is in accordance with the applicable financial reporting framework. In making this evaluation, the auditor should consider whether the financial statements are presented in a manner that reflects the following:	AU-C 330.26								
2.61.a	The appropriate classification and description of financial information and the <u>underline transactions, events, and conditions.</u>	AU-C 330.26								
2.61.b	The appropriate presentation, structure, and content of the financial statements.	AU-C 330.26								
2.62	Based on the audit procedures performed and the audit evidence obtained, the auditor should evaluate, before the conclusion of the audit, whether the assessments of the risks of material misstatement at the relevant assertion level remain appropriate.	AU-C 330.27								
2.63	The auditor should conclude, by considering all audit evidence, regardless of whether it appears to corroborate or contradict the assertions in the financial statements, whether sufficient appropriate <u>audit evidence has been obtained.</u>	AU-C 330.28								
2.64	If the auditor has not obtained sufficient appropriate audit evidence about a relevant assertion, the auditor should attempt to obtain further audit evidence, and if unable to obtain sufficient appropriate audit evidence, express a qualified opinion or disclaim an opinion on the <u>financial statements.</u>	AU-C 330.29								
2.65	The auditor should include in the audit documentation:	AU-C 330.30								
2.65.a	The overall responses to address the assessed risks of material misstatement at the financial statement level and the nature, timing, and extent of further audit procedures performed.	AU-C 330.30								
2.65.b	The linkage of those procedures with the assessed risks at the relevant assertion level.	AU-C 330.30								
2.65.c	The results of the audit procedures, including the conclusions when such conclusions are not otherwise clear.	AU-C 330.30								
2.66	If the auditor plans to use audit evidence about the operating effectiveness of controls obtained in previous audits, the auditor should include in the audit documentation the conclusions reached about relying on such controls that were tested in a previous audit.	AU-C 330.31								
2.67	The auditor should include in the audit documentation the basis for any determination not to use external confirmation procedures for accounts receivable when the account balance is material.	AU-C 330.32								
2.68	The auditor's documentation should demonstrate that information in the financial statements agrees or reconciles with the underlying accounting records, including agreeing or reconciling disclosures, whether such information is obtained from within or outside of the <u>general and subsidiary ledgers.</u>	AU-C 330.33								
<b>Audit Considerations Relating to an Entity Using a Service Organization</b>										
2.69	When obtaining an understanding of the user entity, the user auditor should obtain an understanding of how the user entity uses the services of a service organization in the user entity's operations, including the following:	AU-C 402.09								
2.70.a	The nature of the services provided by the service organization and the significance of those services to the user entity, including their effect on the user entity's internal control	AU-C 402.09								
2.70.b	The nature and materiality of the transactions processed or accounts or financial reporting processes affected by the service organization	AU-C 402.09								
2.70.c	The degree of interaction between the activities of the service organization and those of the user entity	AU-C 402.09								
2.70.d	The nature of the relationship between the user entity and the service organization, including the relevant contractual terms for the activities undertaken by the service organization	AU-C 402.09								

2.71	When obtaining an understanding of internal control relevant to the audit, the user auditor should evaluate the design and implementation of relevant controls at the user entity that relate to the services provided by the service organization, including those that are applied to the transactions processed by the service organization.	AU-C 402.10							
2.72	The user auditor should determine whether a sufficient understanding of the nature and significance of the services provided by the service organization and their effect on the user entity's internal control relevant to the audit has been obtained to provide a basis for the identification and assessment of risks of material misstatement.	AU-C 402.11							
2.73	If the user auditor is unable to obtain a sufficient understanding from the user entity, the user auditor should obtain that understanding from one or more of the following procedures:	AU-C 402.12							
2.73.a	Obtaining and reading a type 1 or type 2 report, if available.	AU-C 402.12							
2.73.b	Contacting the service organization, through the user entity, to obtain specific information.	AU-C 402.12							
2.73.c	Visiting the service organization and performing procedures that will provide the necessary information about the relevant controls at the service organization.	AU-C 402.12							
2.73.d	Using another auditor to perform procedures that will provide the necessary information about the relevant controls at the service organization.	AU-C 402.12							
2.74	In determining the sufficiency and appropriateness of the audit evidence provided by a type 1 or type 2 report, the user auditor should be satisfied regarding the following:	AU-C 402.13							
2.74.a	The service auditor's professional competence and independence from the service organization.	AU-C 402.13							
2.74.b	The adequacy of the standards under which the type 1 or type 2 report was issued.	AU-C 402.13							
2.75	If the user auditor plans to use a type 1 or type 2 report as audit evidence to support the user auditor's understanding about the design and implementation of controls at the service organization, the user auditor should:	AU-C 402.14							
2.75.a	Evaluate whether the type 1 report is as of a date, or in the case of a type 2 report, is for a period that is appropriate for the user auditor's purposes.	AU-C 402.14							
2.75.b	Evaluate the sufficiency and appropriateness of the evidence provided by the report for the understanding of the user entity's internal control relevant to the audit.	AU-C 402.14							
2.75.c	Determine whether complementary user entity controls identified by the service organization are relevant in addressing the risks of material misstatement relating to the relevant assertions in the user entity's financial statements and, if so, obtain an understanding of whether the user entity has designed and implemented such controls.	AU-C 402.14							
2.76	In responding to assessed risks, the user auditor should determine whether sufficient appropriate audit evidence concerning the relevant financial statement assertions is available from records held at the user entity, and if not, perform further audit procedures to obtain sufficient appropriate audit evidence or use another auditor to perform those procedures at the service organization on the user auditor's behalf.	AU-C 402.15							
2.77	When the user auditor's risk assessment includes an expectation that controls at the service organization are operating effectively, the user auditor should obtain audit evidence about the operating effectiveness of those controls from one or more of the following procedures:	AU-C 402.16							
2.77.a	Obtaining and reading a type 2 report, if available.	AU-C 402.16							
2.77.b	Performing appropriate tests of controls at the service organization.	AU-C 402.16							
2.77.c	Using another auditor to perform tests of controls at the service organization on behalf of the user auditor.	AU-C 402.16							
2.78	If the user auditor plans to use a type 2 report as audit evidence that controls at the service organization are operating effectively, the user auditor should determine whether the service auditor's report provides sufficient appropriate audit evidence about the effectiveness of the controls to support the user auditor's risk assessment by:	AU-C 402.17							
2.78.a	Evaluating whether the type 2 report is for a period that is appropriate for the user auditor's purposes.	AU-C 402.17							

2.78.b	Determining whether complementary user entity controls identified by the service organization are relevant in addressing the risks of material misstatement relating to the relevant assertions in the user entity's financial statements and, if so, obtaining an understanding of whether the user entity has designed and implemented such controls and, if so, testing their <del>operating effectiveness</del> .	AU-C 402.17								
2.78.c	Evaluating the adequacy of the time period covered by the tests of controls and the time elapsed since the performance of the <del>tests of controls</del> .	AU-C 402.17								
2.78.d	Evaluating whether the tests of controls performed by the service auditor and the results thereof, as described in the service auditor's report, are relevant to the assertions in the user entity's financial statements and provide sufficient appropriate audit evidence to support the user auditor's risk assessment.	AU-C 402.17								
2.79	If the user auditor plans to use a type 1 or a type 2 report that excludes the services provided by a subservice organization and those services are relevant to the audit of the user entity's financial statements, the user auditor should apply the requirements of this section (AU-C 402) with respect to the services provided by the subservice organization.	AU-C 402.18								
2.80	The user auditor should inquire of management of the user entity about whether the service organization has reported to the user entity, or whether the user entity is otherwise aware of, any fraud, noncompliance with laws and regulations, or uncorrected misstatements affecting the financial statements of the user entity. The user auditor should evaluate how such matters, if any, affect the nature, timing, and extent of the user auditor's further audit procedures, including the effect on the user auditor's conclusions and user auditor's <del>report</del> .	AU-C 402.19								
2.81	The user auditor should modify the opinion in the user auditor's report if the user auditor is unable to obtain sufficient appropriate audit evidence regarding the services provided by the service organization relevant to the audit of the user entity's financial statements.	AU-C 402.20								
2.82	The user auditor should not refer to the work of a service auditor in the user auditor's report containing an unmodified opinion.	AU-C 402.21								
2.83	If reference to the work of a service auditor is relevant to an understanding of a modification of the user auditor's opinion, the user auditor's report to indicate that such reference does not diminish the <del>user auditor's responsibility for that opinion</del> .	AU-C 402.22								
<b>Evaluation of Misstatements Identified During the Audit</b>										
2.84	The auditor should accumulate misstatements identified during the audit, <del>other than those that are clearly trivial</del> .	AU-C 450.05								
2.85	The auditor should determine whether the overall audit strategy and audit plan need to be revised if either of the following exist:	AU-C 450.06								
2.85.a	The nature of identified misstatements and the circumstances of their occurrence indicate that other misstatements may exist that, when aggregated with misstatements accumulated during the audit, could be material.	AU-C 450.06								
2.85.b	The aggregate of misstatements accumulated during the audit <del>approaches materiality</del> .	AU-C 450.06								
2.86	The auditor should communicate on a timely basis with the appropriate level of management all misstatements accumulated during the audit, and request management to correct those misstatements.	AU-C 450.07								
2.87	If, at the auditor's request, management has examined a class of transactions, account balance, or disclosure and corrected misstatements that were detected, the auditor should perform additional audit procedures to determine whether misstatements <del>remain</del> .	AU-C 450.08								
2.88	If management refuses to correct some or all of the misstatements communicated by the auditor, the auditor should obtain an understanding of management's reasons for not making the corrections and take that understanding into account when evaluating whether the financial statements as a whole are free from material misstatement.	AU-C 450.09								
2.89	Prior to evaluating the effect of uncorrected misstatements, the auditor should reassess materiality to confirm whether it remains appropriate in the context of the entity's actual financial results.	AU-C 450.10								
2.90	The auditor should determine whether uncorrected misstatements are material, individually or in the aggregate by considering:	AU-C 450.11								

2.90.a	The size and nature of the misstatements, both in relation to particular classes of transactions, account balances, or disclosures and the financial statements as a whole, and the particular circumstances of their occurrence.	AU-C 450.11								
2.90.b	The effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances, or disclosures and the financial statements as a whole.	AU-C 450.11								
2.91	The auditor should include in the audit documentation:	AU-C 450.12								
2.91.a	The amount below which misstatements would be regarded as clearly trivial.	AU-C 450.12								
2.91.b	All misstatements accumulated during the audit and whether they have been corrected.	AU-C 450.12								
2.91.c	The auditor's conclusion about whether uncorrected misstatements are material, individually or in the aggregate, and the basis for that conclusion.	AU-C 450.12								
<b>3   AICPA Standards – Audit Evidence</b>										
<b>Audit Evidence</b>										
3.1	The auditor should evaluate information to be used as audit evidence by taking into account the following:	AU-C 500.07								
3.1a	The relevance and reliability of the information, including its source, and	AU-C 500.07								
3.1b	Whether such information corroborates or contradicts assertions in the financial statements.	AU-C 500.07								
3.2	The auditor's evaluation of the information to be used as audit evidence in accordance with AU-C 500.07 should include:	AU-C 500.08								
3.2a	Evaluating whether the information is sufficiently precise and detailed for the auditor's purposes and	AU-C 500.08								
3.2b	Obtaining audit evidence about the accuracy and completeness of the information, as necessary	AU-C 500.08								
3.3	In evaluating information to be used as audit evidence, the auditor should consider whether the results of audit procedures provide a basis for concluding on the sufficiency and appropriateness of audit evidence obtained.	AU-C 500.09								
3.4	The auditor should determine whether modifications or additions to audit procedures are necessary to resolve inconsistencies in, or doubts about the reliability of, audit evidence, including when audit evidence obtained from one source is inconsistent with that obtained from another source or the results of an audit procedure are inconsistent with the results of another audit procedure.	AU-C 500.10								
<b>Audit Evidence – Specific Considerations for Selected Items</b>										
3.5	When investments in securities are valued based on an investee's financial results (excluding investments accounted for using the equity method of accounting), the auditor should obtain sufficient appropriate audit evidence in support of the investee's financial results, as follows:	AU-C 501.05								
3.5.a	Obtain and read available financial statements of the investee and the accompanying audit report, if any, including determining whether the report of the other auditor is satisfactory for this purpose.	AU-C 501.05								
3.5.b	If the investee's financial statements are not audited, or if the audit report on such financial statements is not satisfactory to the auditor, apply, or request that the investor entity arrange with the investee to have another auditor apply, appropriate auditing procedures to such financial statements, considering the materiality of the investment in relation to the financial statements of the investor entity.	AU-C 501.05								
3.5.c	If the carrying amount of the investment reflects factors that are not recognized in the investee's financial statements or fair values of assets that are materially different from the investee's carrying amounts, obtain sufficient appropriate audit evidence in support of such amounts.	AU-C 501.05								
3.5.d	If the difference between the financial statement period of the entity and the investee has or could have a material effect on the entity's financial statements, determine whether the entity's management has properly considered the lack of comparability and determine the effect, if any, on the auditor's report.	AU-C 501.05								
3.6	With respect to subsequent events and transactions of the investee occurring after the date of the investee's financial statements but before the date of the auditor's report, the auditor should obtain and read available interim financial statements of the investee and make appropriate inquiries of management of the investor to identify such events and transactions that may be material to the investor's financial statements and that may need to be recognized or disclosed in the investor's financial statements.	AU-C 501.06								

3.7	With respect to investments in derivative instruments and securities measured or disclosed at fair value, the auditor should:	AU-C 501A.06								
3.7.a	Determine whether the applicable financial reporting framework specifies the method to be used to determine the fair value of the entity's derivative instruments and investments in securities.	AU-C 501A.06								
3.7.b	Evaluate whether the determination of fair value is consistent with the specified valuation method.	AU-C 501A.06								
3.8	If estimates of fair value of derivative instruments or securities are obtained from broker-dealers or other third-party sources based on valuation models, the auditor should understand the method used by the broker-dealer or other third-party source in developing the estimate.	AU-C 501A.07								
3.9	If derivative instruments or securities are valued by the entity using a valuation model, the auditor should obtain sufficient appropriate audit evidence supporting management's assertions about fair value determined using the model.	AU-C 501A.08								
3.10	With regard to impairment losses, the auditor should:	AU-C 501A.09								
3.10.a	Evaluate management's conclusion (including the relevance of the information considered) about the need to recognize an impairment loss for a decline in a security's fair value below its cost or carrying amount.	AU-C 501A.09								
3.10.b	Obtain sufficient appropriate audit evidence supporting the amount of any impairment adjustment recorded, including evaluating whether the requirements of the applicable financial reporting framework have been complied with.	AU-C 501A.09								
3.11	The auditor should obtain sufficient appropriate audit evidence about the amount of unrealized appreciation or depreciation in the fair value of a derivative that is recognized or that is disclosed because of the ineffectiveness of a hedge, including evaluating whether the requirements of the applicable financial reporting framework have been complied with.	AU-C 501A.10								
3.12	If inventory is material to the financial statements, the auditor should obtain sufficient appropriate audit evidence regarding the existence and condition of inventory by:	AU-C 501.12								
3.12.a	Attending physical inventory counting, unless impracticable, to:	AU-C 501.12								
3.12.a.i	Evaluate management's instructions and procedures for recording and controlling the results of the entity's physical inventory counting.	AU-C 501.12								
3.12.a.ii	Observe the performance of management's count procedures.	AU-C 501.12								
3.12.a.iii	Inspect the inventory.	AU-C 501.12								
3.12.a.iv	Perform test counts.	AU-C 501.12								
3.12.b	Performing audit procedures over the entity's final inventory records to determine whether they accurately reflect actual inventory count results.	AU-C 501.12								
3.13	If physical inventory counting is conducted at a date other than the date of the financial statements, the auditor should (in addition to the procedures required by paragraph AU-C 501.11), perform audit procedures to obtain audit evidence about whether changes in inventory between the count date and the date of the financial statements are recorded properly.	AU-C 501.13								
3.14	If the auditor is unable to attend physical inventory counting due to unforeseen circumstances, the auditor should make or observe some physical counts on an alternative date and perform audit procedures on intervening transactions.	AU-C 501.14								
3.15	If attendance at physical inventory counting is impracticable, the auditor should perform alternative audit procedures to obtain sufficient appropriate audit evidence regarding the existence and condition of inventory. If it is not possible to do so, the auditor should modify the opinion in the auditor's report.	AU-C 501.15								
3.16	If inventory under the custody and control of a third party is material to the financial statements, the auditor should obtain sufficient appropriate audit evidence regarding the existence and condition of that inventory by performing one or both of the following:	AU-C 501.16								
3.16.a	Request confirmation from the third party regarding the quantities and condition of inventory held on behalf of the entity.	AU-C 501.16								
3.16.b	Perform inspection or other audit procedures appropriate in the circumstances.	AU-C 501.16								
3.17	The auditor should design and perform audit procedures to identify litigation, claims, and assessments involving the entity that may give rise to a risk of material misstatement, including the following:	AU-C 501.17								
3.17.a	Inquiring of management and, when applicable, others within the entity, including in-house legal counsel.	AU-C 501.17								

3.17.b	Obtaining from management a description and evaluation of litigation, claims, and assessments that existed at the date of the financial statements being reported on and during the period from the date of the financial statements to the date the information is furnished, including an identification of those <i>matters referred to legal counsel</i> .	AU-C 501.17								
3.17.c	Reviewing minutes of meetings of those charged with governance; documents obtained from management concerning litigation, claims, and assessments; and correspondence between the entity and its external legal counsel.	AU-C 501.17								
3.17.d	Reviewing legal expense accounts and invoices from external legal counsel.	AU-C 501.17								
3.18	For actual or potential litigation, claims, and assessments identified based on the audit procedures required above, the auditor should obtain audit evidence relevant to the following factors:	AU-C 501.18								
3.18.a	The period in which the underlying cause for legal action occurred.	AU-C 501.18								
3.18.b	The degree of probability of an unfavorable outcome.	AU-C 501.18								
3.18.c	The amount or range of potential loss.	AU-C 501.18								
3.19	Unless the audit procedures indicate that no actual or potential litigation, claims, or assessments that may give rise to a risk of material misstatement exist, the auditor should seek direct communication, through a letter of inquiry prepared by management and sent by the auditor, with the entity's external legal counsel.	AU-C 501.19								
3.20	The auditor should, in cases when the entity's in-house legal counsel has the responsibility for the entity's litigation, claims, and assessments, seek direct communication with the entity's in-house legal counsel <i>through a letter of inquiry</i> .	AU-C 501.20								
3.21	The auditor should document the basis for any determination not to <i>seek direct communication with the entity's legal counsel</i> .	AU-C 501.21								
3.22	The auditor should request management to authorize the entity's legal counsel to discuss applicable matters with the auditor.	AU-C 501.22								
3.23	The auditor's letter(s) of inquiry to legal counsel should include (but is not limited to) the following matters:	AU-C 501.23								
3.23.a	Identification of the entity, including subsidiaries, and the date of the audit.	AU-C 501.23								
3.23.b	A list prepared by management (or a request by management that the legal counsel prepare a list) that describes and evaluates pending or threatened litigation, claims, and assessments with respect to which the legal counsel has been engaged and to which the legal counsel has devoted substantive attention on behalf of the company in the form of legal consultation or representation.	AU-C 501.23								
3.23.c	A list prepared by management that describes and evaluates unasserted claims and assessments that management considers to be probable of assertion and that, if asserted, would have at least a reasonable possibility of an unfavorable outcome with respect to which the legal counsel has been engaged and to which the legal counsel has devoted substantive attention on behalf of the entity in the form of legal consultation or representation.	AU-C 501.23								
3.23.d	Regarding each matter listed in item b, a request that the legal counsel either provide the following information or comment on those matters on which the legal counsel's views may differ from those stated by management, as appropriate:	AU-C 501.23								
3.23.d.i	A description of the nature of the matter, the progress of the case to date, and the action that the entity intends to take (for example, to contest the matter vigorously or to <i>seek an out-of-court settlement</i> ).	AU-C 501.23								
3.23.d.ii	An evaluation of the likelihood of an unfavorable outcome and an estimate, if one can be made, of the amount or <i>range of potential loss</i> .	AU-C 501.23								
3.23.d.iii	With respect to a list prepared by management (or by the legal counsel at management's request), an identification of the omission of any pending or threatened litigation, claims, and assessments or a statement that the list of such <i>matters is complete</i> .	AU-C 501.23								
3.23.e	Regarding each matter listed in item c, a request that the legal counsel comment on those matters on which the legal counsel's views concerning the description or evaluation of the matter may <i>differ from those stated by management</i> .	AU-C 501.23								

3.23.f	A statement that management understands that whenever, in the course of performing legal services for the entity with respect to a matter recognized to involve an unasserted possible claim or assessment that may call for financial statement disclosure, the legal counsel has formed a professional conclusion that the entity should disclose or consider disclosure concerning such possible claim or assessment, the legal counsel, as a matter of professional responsibility to the entity, will so advise the entity and will consult with the entity concerning the question of such disclosure and the requirements of the applicable financial reporting framework.	AU-C 501.23								
3.23.g	A request that the legal counsel confirm whether the understanding described in item f is correct.	AU-C 501.23								
3.23.h	A request that the legal counsel specifically identify the nature of, and reasons for, any limitation on the response.	AU-C 501.23								
3.23.i	A request that the legal counsel specify the effective date of the response.	AU-C 501.23								
3.24	When the auditor is aware that an entity has changed legal counsel or that the legal counsel previously engaged by the entity has resigned, the auditor should consider making inquiries of management or others about the reasons such legal counsel is no longer associated with the entity.	AU-C 501.24								
3.25	The auditor should modify the opinion in the auditor's report if either of the following exist:	AU-C 501.25								
3.25.a	The entity's legal counsel refuses to respond appropriately to the letter of inquiry and the auditor is unable to obtain sufficient appropriate audit evidence by performing alternative audit procedures.	AU-C 501.25								
3.25.b	Management refuses to give the auditor permission to communicate or meet with the entity's external legal counsel.	AU-C 501.25								
3.26	The auditor should obtain sufficient appropriate audit evidence regarding the presentation and disclosure of segment information, in accordance with the applicable financial reporting framework, by:	AU-C 501.26								
3.26.a	Obtaining an understanding of the methods used by management in determining segment information, evaluating whether such methods are likely to result in disclosure in accordance with the applicable financial reporting framework, and, when appropriate, testing the application of such methods.	AU-C 501.26								
3.26.b	Performing analytical procedures or other audit procedures appropriate in the circumstances.	AU-C 501.26								
3.27	If information to be used as audit evidence has been prepared using the work of a management's specialist, the auditor should, to the extent necessary, taking into account the significance of that specialist's work for the auditor's purposes:	AU-C 501.27								
3.27a	Evaluate the competence, capabilities, and objectivity of that specialist.	AU-C 501.27								
3.27b	Obtain an understanding of the work of that specialist.	AU-C 501.27								
3.27c	Evaluate the appropriateness of that specialist's work as audit evidence for the relevant assertion.	AU-C 501.27								
<b>External Confirmations</b>										
3.28	When using external confirmation procedures, the auditor should maintain control over external confirmation requests, including:	AU-C 505.07								
3.28.a	Determining the information to be confirmed or requested.	AU-C 505.07								
3.28.b	Selecting the appropriate confirming party.	AU-C 505.07								
3.28.c	Designing the confirmation requests, including determining that requests are properly directed to the appropriate confirming party and provide for being responded to directly to the auditor.	AU-C 505.07								
3.28.d	Sending the requests, including follow-up requests, when applicable, to the confirming party.	AU-C 505.07								
3.29	If management refuses to allow the auditor to perform external confirmation procedures, the auditor should:	AU-C 505.08								
3.29.a	Inquire about management's reasons for the refusal and seek audit evidence about their validity and reasonableness.	AU-C 505.08								
3.29.b	Evaluate the implications of management's refusal on the auditor's assessment of the relevant risks of material misstatement, including the risk of fraud, and on the nature, timing, and extent of other audit procedures.	AU-C 505.08								
3.29.c	Perform alternative audit procedures designed to obtain relevant and reliable audit evidence.	AU-C 505.08								

3.30	If the auditor concludes that management's refusal to allow the auditor to perform external confirmation procedures is unreasonable or the auditor is unable to obtain relevant and reliable audit evidence from alternative audit procedures, the auditor should communicate with those charged with governance and determine the implications for the audit and the auditor's opinion.	AU-C 505.09								
3.31	If the auditor identifies factors that give rise to doubts about the reliability of the response to a confirmation request, the auditor should further audit evidence to resolve those doubts.	AU-C 505.10								
3.32	If the auditor determines that a response to a confirmation request is not reliable, the auditor should evaluate the implications on the assessment of the relevant risks of material misstatement, including the risk of fraud, and on the related nature, timing, and extent of other audit procedures.	AU-C 505.11								
3.33	In the case of each nonresponse, the auditor should perform alternative audit procedures to obtain relevant and reliable audit evidence.	AU-C 505.12								
3.34	If the auditor has determined that a written response to a positive confirmation request is necessary to obtain sufficient appropriate audit evidence, and the auditor does not obtain such confirmation, the auditor should determine the implications for the audit and the auditor's opinion.	AU-C 505.13								
3.35	The auditor should investigate exceptions to determine whether they are indicative of misstatements.	AU-C 505.14								
3.36	The auditor should not use negative confirmation requests as the sole substantive audit procedure to address an assessed risk of material misstatement at the assertion level, unless all of the following are present:	AU-C 505.15								
3.36.a	The auditor has assessed the risk of material misstatement as low and has obtained sufficient appropriate audit evidence regarding the operating effectiveness of controls relevant to the assertion.	AU-C 505.15								
3.36.b	The population of items subject to negative confirmation procedures comprises a large number of small, homogeneous account balances, transactions, or conditions.	AU-C 505.15								
3.36.c	A very low exception rate is expected.	AU-C 505.15								
3.36.d	The auditor is not aware of circumstances or conditions that would cause recipients of negative confirmation requests to disregard such requests.	AU-C 505.15								
3.37	The auditor should evaluate whether the results of the external confirmation procedures provide relevant and reliable audit evidence or whether further audit evidence is necessary.	AU-C 505.16								
<b>Opening Balances – Initial Audit Engagements, Including Reaudit Engagements</b>										
3.38	The auditor should read the most recent financial statements, if any, and the predecessor auditor's report thereon, if any, for information relevant to opening balances, including disclosures, and consistency in the application of accounting policies.	AU-C 510.06								
3.39	In instances in which the prior period financial statements were audited by a predecessor auditor, the auditor should request management to authorize the predecessor auditor to allow a review of the predecessor auditor's audit documentation and for the predecessor auditor to respond fully to inquiries by the auditor, thereby providing the auditor with information to assist in planning and performing the engagement.	AU-C 510.07								
3.40	The auditor should obtain sufficient appropriate audit evidence about whether the opening balances contain misstatements that materially affect the current period's financial statements by:	AU-C 510.08								
3.40.a	Determining whether the prior period's closing balances have been correctly brought forward to the current period or, when appropriate, have been restated.	AU-C 510.08								
3.40.b	Determining whether the opening balances reflect the application of appropriate accounting policies.	AU-C 510.08								
3.40.c	Evaluating whether audit procedures performed in the current period provide evidence relevant to the opening balances and performing one or both of the following:	AU-C 510.08								
3.40.c.i	When the prior year financial statements were audited, reviewing the predecessor auditor's audit documentation to obtain evidence regarding the opening balances.	AU-C 510.08								
3.40.c.ii	Performing specific audit procedures to obtain evidence regarding the opening balances.	AU-C 510.08								
3.41	If the auditor obtains audit evidence that the opening balances contain misstatements that could materially affect the current period's financial statements, the auditor should perform such additional audit procedures as are appropriate in the circumstances to determine the effect on the current period's financial statements.	AU-C 510.09								

3.42	If the auditor concludes that such misstatements exist in the current period's financial statements, the auditor should communicate the misstatements to the appropriate level of management and those charged with governance.	AU-C 510.09								
3.43	The auditor should obtain sufficient appropriate audit evidence about whether the accounting policies reflected in the opening balances have been consistently applied in the current period's financial statements and whether changes in the accounting policies have been appropriately accounted for and adequately presented and disclosed in accordance with the applicable financial reporting framework.	AU-C 510.10								
3.44	If the prior period's financial statements were audited by a predecessor auditor, and a modification was made to the opinion, the auditor should evaluate the effect of the matter giving rise to the modification in assessing the risks of material misstatement in the current period's financial statements.	AU-C 510.11								
3.45	If the auditor becomes aware of information during the audit that leads the auditor to believe that financial statements reported on by the predecessor auditor may require revision, the auditor should request management to inform the predecessor auditor of the situation and arrange for the three parties to discuss this information and attempt to resolve the matter.	AU-C 510.12								
3.46	If management refuses to inform the predecessor auditor that the prior period financial statements may need revision or if the auditor is not satisfied with the resolution of the matter, the auditor should evaluate (a) the implications on the current engagement and (b) whether to withdraw from the engagement or, when withdrawal is not possible under applicable law or regulation, disclaim an opinion on the financial statements.	AU-C 510.13								
3.47	The auditor should not make reference to the report or work of the predecessor auditor as the basis, in part, for the auditor's own opinion.	AU-C 510.14								
3.48	If the auditor is unable to obtain sufficient appropriate audit evidence regarding the opening balances, the auditor should express a qualified opinion or disclaim an opinion on the financial statements, as appropriate.	AU-C 510.15								
3.49	If the auditor concludes that the opening balances contain a misstatement that materially affects the current period's financial statements, and the effect of the misstatement is not appropriately accounted for or adequately presented or disclosed, the auditor should express a qualified opinion or an adverse opinion, as appropriate.	AU-C 510.16								
3.50	If the auditor concludes that the current period's accounting policies are not consistently applied regarding opening balances, in accordance with the applicable financial reporting framework, or a change in accounting policies is not appropriately accounted for or adequately presented or disclosed, in accordance with the applicable financial reporting framework, the auditor should express a qualified opinion or an adverse opinion, as appropriate.	AU-C 510.17								
3.51	If the predecessor auditor's opinion regarding the prior period's financial statements included a modification to the auditor's opinion that remains relevant and material to the current period's financial statements, the auditor should modify the auditor's opinion on the current period's financial statements.	AU-C 510.18								
<b>Analytical Procedures</b>										
3.52	When designing and performing analytical procedures (either alone or in combination with tests of details) as substantive procedures, the auditor should:	AU-C 520.05								
3.52.a	Determine the suitability of particular substantive analytical procedures for given assertions, taking into account the assessed risks of material misstatement and tests of details, if any, for these assertions.	AU-C 520.05								
3.52.b	Evaluate the reliability of data from which the auditor's expectation of recorded amounts or ratios is developed, taking into account the source, comparability, and nature and relevance of information available and controls over preparation.	AU-C 520.05								
3.52.c	Develop an expectation of recorded amounts or ratios and evaluate whether the expectation is sufficiently precise (taking into account whether substantive analytical procedures are to be performed alone or in combination with tests of details) to identify a misstatement that, individually or when aggregated with other misstatements, may cause the financial statements to be materially misstated.	AU-C 520.05								

3.52.d	Determine the amount of any difference of recorded amounts from expected values that is acceptable without further investigation as required by paragraph AU-C 520.07 and compare the recorded amounts, or ratios developed from recorded amounts, with the expectations.	AU-C 520.05								
3.53	The auditor should design and perform analytical procedures near the end of the audit that assist the auditor when forming an overall conclusion about whether the financial statements are consistent with the auditor's understanding of the entity.	AU-C 520.06								
3.54	If analytical procedures performed identify fluctuations or relationships that are inconsistent with other relevant information or that differ from expected values by a significant amount, the auditor should investigate such differences by:	AU-C 520.07								
3.54.a	Inquiring of management and obtaining appropriate audit evidence relevant to management's responses.	AU-C 520.07								
3.54.b	Performing other audit procedures as necessary in the circumstances.	AU-C 520.07								
3.55	When substantive analytical procedures have been performed the auditor should include in the audit documentation the following:	AU-C 520.08								
3.55.a	The expectation referred to in paragraph AU-C 520.05c and the factors considered in its development when that expectation or those factors are not otherwise readily determinable from the audit documentation.	AU-C 520.08								
3.55.b	Results of the comparison referred to in paragraph AU-C 520.05d of the recorded amounts, or ratios developed from recorded amounts, with the expectations.	AU-C 520.08								
3.55.c	Any additional auditing procedures performed in accordance with paragraph AU-C 520.07 relating to the investigation of fluctuations or relationships that are inconsistent with other relevant information or that differ from expected values by a significant amount and the results of such additional procedures.	AU-C 520.08								
<b>Audit Sampling</b>										
3.56	With regard to sample design, size, and selection, the auditor should:	AU-C 530.06-.08								
3.56.a	Consider the purpose of the audit procedure and the characteristics of the population from which the sample will be drawn.	AU-C 530.06								
3.56.b	Determine a sample size sufficient to reduce sampling risk to an acceptably low level.	AU-C 530.08								
3.56.c	Select items for the sample in such a way that the auditor can reasonably expect the sample to be representative of the relevant population and likely will provide the auditor with a reasonable basis for conclusions about the population.	AU-C 530.08								
3.57	In performing audit procedures, the auditor should:	AU-C 530.09-.11								
3.57.a	Perform audit procedures, appropriate to the purpose, on each item selected.	AU-C 530.09								
3.57.b	Perform the procedure on a replacement item if the audit procedure is not applicable to the selected item.	AU-C 530.10								
3.57.c	Treat an item as a deviation from the prescribed control (in the case of tests of controls) or a misstatement (in the case of tests of details), if the auditor is unable to apply the designed audit procedures, or suitable alternative procedures, to a selected item.	AU-C 530.11								
3.58	The auditor should investigate the nature and cause of any deviations or misstatements identified and evaluate their possible effect on the purpose of the audit procedure and on other areas of the audit.	AU-C 530.12								
3.59	The auditor should project the results of audit sampling to the population.	AU-C 530.13								
3.60	The auditor should evaluate:	AU-C 530.14								
3.60.a	The results of the sample, including sampling risk.	AU-C 530.14								
3.60.b	Whether the use of audit sampling has provided a reasonable basis for conclusions about the population that has been tested.	AU-C 530.14								
<b>Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures</b>										
3.61	When performing risk assessment procedures and related activities to obtain an understanding of the entity and its environment, including the entity's internal control, the auditor should obtain an understanding of the following in order to provide a basis for the identification and assessment of the risks of material misstatement for accounting estimates:	AU-C 540A.08								
3.61.a	The requirements of the applicable financial reporting framework relevant to accounting estimates, including related disclosures.	AU-C 540A.08								

3.61.b	How management identifies those transactions, events, and conditions that may give rise to the need for accounting estimates to be recognized or disclosed in the financial statements.	AU-C 540A.08							
3.61.c	How management makes the accounting estimates and the data on which they are based, including:	AU-C 540A.08							
3.61.c.i	The method(s), including, when applicable, the model, used in making the accounting estimate.	AU-C 540A.08							
3.61.c.ii	Relevant controls.	AU-C 540A.08							
3.61.c.iii	Whether management has used a specialist.	AU-C 540A.08							
3.61.c.iv	The assumptions underlying the accounting estimates.	AU-C 540A.08							
3.61.c.v	Whether there has been or ought to have been a change from the prior period in the method(s) or assumption(s) for making the accounting estimates and, if so, why.	AU-C 540A.08							
3.61.c.vi	Whether and, if so, how management has assessed the effect of estimation uncertainty.	AU-C 540A.08							
3.62	The auditor should review the outcome of accounting estimates included in the prior period financial statements or, when applicable, their subsequent reestimation for the purpose of the current period.	AU-C 540A.09							
3.63	In identifying and assessing the risks of material misstatement, the auditor should evaluate the degree of estimation uncertainty associated with an accounting estimate.	AU-C 540A.10							
3.64	The auditor should determine whether, in the auditor's professional judgment, any of those accounting estimates that have been identified as having high estimation uncertainty give rise to significant risks.	AU-C 540A.11							
3.65	Based on the assessed risks of material misstatement, the auditor should determine:	AU-C 540A.12							
3.65.a	Whether management has appropriately applied the requirements of the applicable financial reporting framework relevant to the accounting estimate.	AU-C 540A.12							
3.65.b	Whether the methods for making the accounting estimates are appropriate and have been applied consistently and whether changes from the prior period, if any, in accounting estimates or the method for making them are appropriate in the circumstances.	AU-C 540A.12							
3.66	In responding to the assessed risks of material misstatement, the auditor should undertake one or more of the following, taking into account the nature of the accounting estimate:	AU-C 540A.13							
3.66.a	Determining whether events occurring up to the date of the auditor's report provide audit evidence regarding the accounting estimate. (540.A63- A67)	AU-C 540A.13							
3.66.b	Testing how management made the accounting estimate and the data on which it is based.	AU-C 540A.13							
3.66.c	Testing the operating effectiveness of the controls over how management made the accounting estimate, together with appropriate substantive procedures.	AU-C 540A.13							
3.66.d	Developing a point estimate or range to evaluate management's point estimate.	AU-C 540A.13							
3.67	The auditor should consider whether specialized skills or knowledge with regard to one or more aspects of the accounting estimates is required in order to obtain sufficient appropriate audit evidence.	AU-C 540A.14							
3.68	For accounting estimates that give rise to significant risks, the auditor should evaluate the following:	AU-C 540A.15							
3.68.a	How management has considered alternative assumptions or outcomes and why it has rejected them or how management has otherwise addressed estimation uncertainty in making the accounting estimate.	AU-C 540A.15							
3.68.b	Whether the significant assumptions used by management are reasonable.	AU-C 540A.15							
3.68.c	When relevant to the reasonableness of the significant assumptions used by management or the appropriate application of the applicable financial reporting framework, management's intent to carry out specific courses of action and its ability to do so.	AU-C 540A.15							
3.69	If, in the auditor's professional judgment, management has not addressed adequately the effects of estimation uncertainty on the accounting estimates that give rise to significant risks, the auditor should, if considered necessary, develop a range with which to evaluate the reasonableness of the accounting estimate.	AU-C 540A.16							
3.70	For accounting estimates that give rise to significant risks, the auditor should obtain sufficient appropriate audit evidence about whether the following are in accordance with the requirements of the applicable financial reporting framework:	AU-C 540A.17							
3.70.a	Management's decision to recognize or not recognize the accounting estimates in the financial statements.	AU-C 540A.17							

3.70.b	The selected measurement basis for the accounting estimates.	AU-C 540A.17							
3.71	The auditor should evaluate, based on the audit evidence, whether the accounting estimates in the financial statements are either reasonable in the context of the applicable financial reporting framework or are misstated.	AU-C 540A.18							
3.72	The auditor should obtain sufficient appropriate audit evidence about whether the disclosures in the financial statements related to accounting estimates are in accordance with the requirements of the applicable financial reporting framework.	AU-C 540A.19							
3.73	For accounting estimates that give rise to significant risks, the auditor also should evaluate the adequacy of the disclosure of estimation uncertainty in the financial statements in the context of the applicable financial reporting framework.	AU-C 540A.20							
3.74	The auditor should review the judgments and decisions made by management in the making of accounting estimates to identify whether indicators of possible management bias exist.	AU-C 540A.21							
3.75	The auditor should include in the audit documentation:	AU-C 540A.22							
3.75.a	The basis for the auditor's conclusions about the reasonableness of accounting estimates and their disclosure (for those accounting estimates that give rise to significant risks).	AU-C 540A.22							
3.75.b	Indicators of possible management bias, if any.	AU-C 540A.22							
<b>Related Parties</b>									
3.76	In connection with the engagement team discussion(s), the auditor should include specific consideration of the susceptibility of the financial statements to material misstatement due to fraud or error that could result from the entity's related party relationships and transactions.	AU-C 550.13							
3.77	The auditor should inquire of management and others within the entity regarding the following:	AU-C 550.14							
3.77.a	The identity of the entity's related parties, including changes from the prior period.	AU-C 550.14							
3.77.b	The nature of the relationships (including ownership structure) between the entity and these related parties.	AU-C 550.14							
3.77.c	The business purpose of entering into a transaction with a related party versus an unrelated party.	AU-C 550.14							
3.77.d	Whether the entity entered into, modified, or terminated any transactions with these related parties during the period and, if so, the type and business purpose of the transactions.	AU-C 550.14							
3.78	The auditor should inquire of management and others within the entity, and perform other risk assessment procedures considered appropriate, to obtain an understanding of the controls, if any, that management has established to:	AU-C 550.15							
3.78.a	Identify, account for, and disclose related party relationships and transactions.	AU-C 550.15							
3.78.b	Authorize and approve significant transactions and arrangements with related parties.	AU-C 550.15							
3.78.c	Authorize and approve significant transactions and arrangements outside the normal course of business.	AU-C 550.15							
3.78.d	Inquiries should include asking about any related party transactions:	AU-C 550.15							
3.78.e	That have not been authorized and approved in accordance with the entity's established policies or procedures regarding the authorization and approval of transactions with related parties.	AU-C 550.15							
3.78.f	For which exceptions to the entity's established policies or procedures were granted and the reasons for granting those exceptions.	AU-C 550.15							
3.78.g	Unless all of those charged with governance are involved in managing the entity, the auditor should inquire of those charged with governance (or the audit committee or, at least, its chair) regarding the following:	AU-C 550.16							
3.78.h	Their understanding of the entity's relationships and transactions with related parties that are significant to the entity.	AU-C 550.16							
3.78.i	Whether any of those charged with governance have concerns regarding relationships or transactions with related parties and, if so, the substance of those concerns.	AU-C 550.16							
3.79	During the audit, the auditor should remain alert when inspecting records or documents for arrangements or other information that may indicate the existence of related party relationships or transactions that management has not previously identified or disclosed to the auditor. In particular, the auditor should inspect the following:	AU-C 550.17							
3.79.a	Bank and legal confirmations obtained as part of the auditor's procedures.	AU-C 550.17							

3.79.b	Minutes of meetings of shareholders and of those charged with governance and summaries of actions of recent meetings for which minutes have not yet been prepared.	AU-C 550.17								
3.79.c	Such other records or documents as the auditor considers necessary in the circumstances of the entity.	AU-C 550.17								
3.80	If the auditor identifies significant unusual transactions when performing the audit procedures required by AU-C 550.17 or through other audit procedures, the auditor should inquire of management about the following:	AU-C 550.18								
3.80.a	The nature of these transactions.	AU-C 550.18								
3.80.b	Whether related parties could be involved.	AU-C 550.18								
3.81	The auditor should share with the other members of the engagement team the identity of the entity's related parties and other relevant information obtained about the related parties.	AU-C 550.19								
3.82	In identifying and assessing the risks of material misstatement, the auditor should identify and assess the risks of material misstatement associated with related party relationships and transactions and determine whether any of those risks are significant risks (the auditor should treat identified related party transactions that are also significant unusual transactions as giving rise to significant risks).	AU-C 550.20								
3.83	If the auditor identifies fraud risk factors (including circumstances relating to the existence of a related party with dominant influence) when performing the risk assessment procedures and related activities in connection with related parties, the auditor should consider such information when identifying and assessing the risks of material misstatement due to fraud.	AU-C 550.21								
3.84	As part of responding to assessed risks, the auditor should design and perform further audit procedures to obtain sufficient appropriate audit evidence about the assessed risks of material misstatement associated with related party relationships and transactions.	AU-C 550.22								
3.84.a	The auditor should evaluate whether the entity has properly identified its related party relationships and transactions. Evaluating whether an entity has properly identified its related party relationships and transactions involves more than assessing the process used by the entity. The evaluation should include procedures to test the accuracy and completeness of the related party relationships and transactions identified by the entity, taking into account the information gathered during the audit.	AU-C 550.22								
3.84.b	The auditor should perform procedures on balances with affiliated entities as of concurrent dates, even if fiscal years of the respective entities differ. The procedures performed should address the risks of material misstatement associated with the entity's accounts with affiliates.	AU-C 550.23								
3.85	If the auditor identifies arrangements or information that suggests the existence of related party relationships or transactions that management has not previously identified or disclosed to the auditor, the auditor should determine whether the underlying circumstances confirm the existence of those relationships or transactions.	AU-C 550.24								
3.86	If the auditor identifies related parties or significant related party transactions that management has not previously identified or disclosed to the auditor, the auditor should:	AU-C 550.25								
3.86.a	Promptly communicate the relevant information to the other members of the engagement team.	AU-C 550.25								
3.86.b	Request management to identify all transactions with the newly identified related parties for the auditor's further evaluation.	AU-C 550.25								
3.86.c	Inquire why the entity's controls over related party relationships and transactions failed to enable the identification or disclosure of the related party relationships or transactions.	AU-C 550.25								
3.86.d	Perform appropriate substantive audit procedures relating to such newly identified related parties or significant related party transactions.	AU-C 550.25								
3.86.e	Reconsider the risk that other related parties or significant related party transactions may exist that management has not previously identified or disclosed to the auditor and perform additional audit procedures as necessary.	AU-C 550.25								
3.86.f	Evaluate the implications for the audit if the nondisclosure by management appears intentional (and, therefore, indicative of a risk of material misstatement due to fraud).	AU-C 550.25								
3.87	For identified significant related party transactions that are required to be disclosed in the financial statements or determined to be a significant risk, the auditor should:	AU-C 550.26								

3.87.a	Read the underlying contracts or agreements, if any, and evaluate whether:	AU-C 550.26								
3.87.a.i	The business purpose (or lack thereof) of the transactions suggests that they may have been entered into to engage in fraudulent financial reporting or to conceal misappropriation of assets.	AU-C 550.26								
3.87.a.ii	The terms of the transactions are consistent with management's explanations.	AU-C 550.26								
3.87.a.iii	The transactions have been appropriately accounted for and disclosed.	AU-C 550.26								
3.87.b	Obtain audit evidence that the transactions have been appropriately authorized and approved.	AU-C 550.26								
3.88	If management has made an assertion in the financial statements to the effect that a related party transaction was conducted on terms equivalent to those prevailing in an arm's length transaction, the auditor should obtain sufficient appropriate audit evidence about the assertion.	AU-C 550.27								
3.89	In forming an opinion on the financial statements, in accordance with AU-C 700 or AU-C 703, the auditor should evaluate the following:	AU-C 550.28								
3.89.a	Whether the identified related party relationships and transactions have been appropriately accounted for and disclosed.	AU-C 550.28								
3.89.b	Whether the effects of the related party relationships and transactions prevent the financial statements from achieving fair presentation.	AU-C 550.28								
3.90	Unless all of those charged with governance are involved in managing the entity, the auditor should communicate with those charged with governance significant findings or issues arising during the audit in connection with the entity's related parties.	AU-C 550.29								
3.91	The auditor should include in the audit documentation the names of the identified related parties and the nature of the related party relationships.	AU-C 550.30								
<b>Subsequent Events and Subsequently Discovered Facts</b>										
3.92	The auditor should perform audit procedures designed to obtain sufficient appropriate audit evidence that all subsequent events that require adjustment of, or disclosure in, the financial statements have been identified by: (Note: These procedures should cover the period from the date of the financial statements to the date of the auditor's report or as near as practicable thereto.)	AU-C 560.09-.10								
3.92.a	Obtaining an understanding of any procedures that management has established to ensure that subsequent events are identified.	AU-C 560.09-.10								
3.92.b	Inquiring of management and, when appropriate, those charged with governance about whether any subsequent events have occurred that might affect the financial statements.	AU-C 560.09-.10								
3.92.c	Reading minutes, if any, of the meetings of the entity's owners, management, and those charged with governance that have been held after the date of the financial statements and inquiring about matters discussed at any such meetings for which minutes are not yet available.	AU-C 560.09-.10								
3.92.d	Reading the entity's latest subsequent interim financial statements, if any.	AU-C 560.09-.10								
3.93	If the auditor identifies subsequent events that require adjustment of, or disclosure in, the financial statements, the auditor should determine whether each such event is appropriately reflected in the financial statements in accordance with the applicable financial reporting framework.	AU-C 560.11								
3.94	If a subsequently discovered fact becomes known to the auditor before the report release date, the auditor should:	AU-C 560.12								
3.94.a	Discuss the matter with management and, when appropriate, those charged with governance.	AU-C 560.12								
3.94.b	Determine whether the financial statements need revision and, if so, inquire how management intends to address the matter in the financial statements.	AU-C 560.12								
3.95	If management revises the financial statements, the auditor should perform the audit procedures necessary in the circumstances on the revision and either:	AU-C 560.13								
3.95.a	Date the auditor's report as of a later date; extend the audit procedures to the new date of the auditor's report on the revised financial statements; and request written representations from management as of the new date of the auditor's report.	AU-C 560.13								

3.95.b	Include an additional date in the auditor's report on the revised financial statements that is limited to the revision (that is, dual-date the auditor's report for that revision), thereby indicating that the auditor's procedures subsequent to the original date of the auditor's report are limited solely to the revision of the financial statements described in the relevant note to the financial statements, and request written representations from management as of the additional date in the auditor's report.	AU-C 560.13								
3.95.b.i	Any information has come to management's attention that would cause management to believe that any of the previous representations should be modified.	AU-C 560.13								
3.95.b.ii	Any other events have occurred subsequent to the date of the financial statements that would require adjustment to, or disclosure in, those financial statements.	AU-C 560.13								
3.96	If management does not revise the financial statements in circumstances when the auditor believes they need to be revised, the auditor should modify the opinion (express a qualified opinion or an adverse opinion).	AU-C 560.14								
3.97	If a subsequently discovered fact becomes known to the auditor after the report release date, the auditor should:	AU-C 560.15								
3.97.a	Discuss the matter with management and, when appropriate, those charged with governance.	AU-C 560.15								
3.97.b	Determine whether the financial statements need revision and, if so, inquire how management intends to address the matter in the financial statements.	AU-C 560.15								
3.98	If management revises the financial statements, the auditor should:	AU-C 560.16								
3.98.a	Apply the requirements of paragraph AU-C 560.13	AU-C 560.16								
3.98.b	If the audited financial statements (before revision) have been made available to third parties, assess whether the steps taken by management are timely and appropriate to ensure that anyone in receipt of those financial statements is informed of the situation, including that the audited financial statements are not to be relied upon.	AU-C 560.16								
3.98.c	If the auditor's opinion on the revised financial statements differs from the opinion the auditor previously expressed, disclose the following matters in an emphasis-of-matter or other-matter paragraph:	AU-C 560.16								
3.98.c.i	The date of the auditor's previous report.	AU-C 560.16								
3.98.c.ii	The type of opinion previously expressed.	AU-C 560.16								
3.98.c.iii	The substantive reasons for the different opinion.	AU-C 560.16								
3.98.c.iv	That the auditor's opinion on the revised financial statements is different from the auditor's previous opinion.	AU-C 560.16								
3.99	If management does not revise the financial statements in circumstances when the auditor believes they need to be revised, and the audited financial statements have not been made available to third parties, the auditor should notify management and those charged with governance not to make the audited financial statements available to third parties before the necessary revisions have been made and a new auditor's report on the revised financial statements has been provided.	AU-C 560.17a								
3.100	If management does not revise the financial statements in circumstances when the auditor believes they need to be revised, and if the audited financial statements have been made available to third parties the auditor should assess whether the steps taken by management are timely and appropriate to ensure that anyone in receipt of the audited financial statements is informed of the situation, including that the audited financial statements are not to be relied upon.	AU-C 560.17b								
3.101	If management does not take the necessary steps to ensure that anyone in receipt of the audited financial statements is informed of the situation (i.e., the financial statements have been revised, or management does not revise the financial statements in circumstances when the auditor believes they need to be revised), the auditor should notify management and those charged with governance that the auditor will seek to prevent future reliance on the auditor's report.	AU-C 560.18								
3.102	Before reissuing a previously issued auditor's report on financial statements that are to be presented on a comparative basis with audited financial statements of a subsequent period, the predecessor auditor should perform the following procedures to determine whether the previously issued auditor's report is still appropriate:	AU-C 560.19								
3.102.a	Read the financial statements of the subsequent period to be presented on a comparative basis.	AU-C 560.19								

3.102.b	Compare the prior period financial statements that the predecessor auditor reported on with the financial statements of the subsequent period to be presented on a comparative basis.	AU-C 560.19								
3.102.c	Inquire of, and request written representations from, management of the former auditee, at or near the date of reissuance, about whether:	AU-C 560.19								
3.102.c.i	Any information has come to management's attention that would cause management to believe that any of the previous representations should be modified.	AU-C 560.19								
3.102.c.ii	Any events have occurred subsequent to the date of the latest prior period financial statements reported on by the predecessor auditor that would require adjustment to, or disclosure in, those financial statements.	AU-C 560.19								
3.102.d	Obtain a representation letter from the successor auditor stating whether the successor auditor's audit revealed any matters that, in the successor auditor's opinion, might have a material effect on, or require disclosure in, the financial statements reported on by the predecessor auditor.	AU-C 560.19								
3.103	If, in performing the procedures in AU-C 560.19 (question 3.102 above), a subsequently discovered fact becomes known to the predecessor auditor, then:	AU-C 560.20								
3.103.a	The predecessor auditor should apply the requirements of paragraph AU-C 560.15.	AU-C 560.20								
3.103.b	If management revises the financial statements and the predecessor auditor plans to issue a new auditor's report on the revised financial statements, the predecessor auditor should apply the requirements of AU-C 560.16.	AU-C 560.20								
3.103.c	If management revises the financial statements and the predecessor auditor does not plan to issue a new auditor's report on the revised financial statements, or if management does not revise the financial statements in circumstances when the predecessor auditor believes they need to be revised, the predecessor auditor should assess the steps taken by management, as required by AU-C 560.17b.	AU-C 560.20								
<b>The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern</b>										
3.104	When performing risk assessment procedures, the auditor should consider whether there are conditions or events, considered in the aggregate, that raise substantial doubt about an entity's ability to continue as a going concern for a reasonable period of time. In doing so, the auditor should determine whether management has performed a preliminary evaluation of whether such conditions or events exist:	AU-C 570.12								
3.104.a	If such an evaluation has been performed, the auditor should discuss the evaluation with management and determine whether management has identified conditions or events that raise substantial doubt about an entity's ability to continue as a going concern for a reasonable period of time and, if so, understand management's plans to address them.	AU-C 570.12								
3.104.b	If such an evaluation has not yet been performed, the auditor should discuss with management the basis for the intended use of the going concern basis of accounting and inquire of management whether conditions or events exist that raise substantial doubt about an entity's ability to continue as a going concern for a reasonable period of time.	AU-C 570.12								
3.105	The auditor should remain alert throughout the audit for audit evidence of conditions or events that raise substantial doubt about an entity's ability to continue as a going concern for a reasonable period of time.	AU-C 570.13								
3.106	The auditor's evaluation should:	AU-C 570.14								
3.106.a	Address management's evaluation of whether there are conditions or events, considered in the aggregate, that raise substantial doubt about an entity's ability to continue as a going concern for a reasonable period of time.	AU-C 570.14								
3.106.b	Cover the same period as that used by management in its evaluation as required by the applicable financial reporting framework.	AU-C 570.14								
3.106.c	Include consideration of whether management's evaluation includes all relevant information of which the auditor is aware as a result of the audit.	AU-C 570.14								
3.107	The auditor should inquire of management regarding its knowledge of conditions or events beyond the period of management's evaluation that may have an effect on the entity's ability to continue as a going concern.	AU-C 570.15								

3.108	When conditions or events are identified, the auditor should obtain sufficient appropriate audit evidence to determine whether those conditions and events, considered in the aggregate, raise substantial doubt about an entity's ability to continue as a going concern for a reasonable period of time by performing additional audit procedures, including consideration of mitigating factors. These procedures should include the following:	AU-C 570.16								
3.108.a	Requesting management to make an evaluation when management has not yet performed an evaluation.	AU-C 570.16								
3.108.b	Evaluating management's plans in relation to its going concern evaluation, with regard to whether it is probable that management's plans can be effectively implemented and the plans would mitigate the relevant conditions or events that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.	AU-C 570.16								
3.108.c	When the entity has prepared a cash flow forecast, and analysis of the forecast is a significant factor in evaluating management's plans, evaluating the reliability of the underlying data generated to prepare the forecast and determining whether there is adequate support for the assumptions underlying the forecast, which includes considering contradictory audit evidence.	AU-C 570.16								
3.108.d	Considering whether any additional facts or information have become available since the date on which management made its evaluation.	AU-C 570.16								
3.109	When management's plans include financial support by third parties (supporting parties) and such support is necessary in supporting management's assertions about the entity's ability to continue as a going concern for a reasonable period of time, the auditor should obtain sufficient appropriate audit evidence about the following:	AU-C 570.17								
3.109.a	The intent of such supporting parties to provide the necessary financial support, including written evidence of such intent (if this written evidence cannot be obtained, the auditor should conclude that management's plans are insufficient to alleviate the determination that substantial doubt exists about the entity's ability to continue as a going concern for a reasonable period of time).	AU-C 570.17								
3.109.b	The ability of such supporting parties to provide the necessary financial support.	AU-C 570.17								
3.110	If the auditor believes, before consideration of management's plans pursuant to paragraph AU-C 570.16, that substantial doubt exists about the entity's ability to continue as a going concern for a reasonable period of time, the auditor should request the following written representations from management:	AU-C 570.18								
3.110.a	A description of management's plans that are intended to mitigate the adverse effects of conditions or events that indicate there is substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time and the probability that those plans can be effectively implemented.	AU-C 570.18								
3.110.b	That the financial statements disclose all the matters of which management is aware that are relevant to the entity's ability to continue as a going concern for a reasonable period of time, including principal conditions or events and management's plans.	AU-C 570.18								
3.111	The auditor should evaluate whether sufficient appropriate audit evidence has been obtained and conclude on the appropriateness of management's use of the going concern basis of accounting, when relevant, in the preparation of the financial statements.	AU-C 570.19								
3.112	Based on the audit evidence obtained, the auditor should conclude whether, in the auditor's judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about an entity's ability to continue as a going concern for a reasonable period of time.	AU-C 570.20								
3.113	If the auditor concludes that management's use of the going concern basis of accounting is appropriate in the circumstances but substantial doubt exists about an entity's ability to continue as a going concern for a reasonable period of time, the auditor should evaluate the adequacy of the financial statement disclosures as required by the applicable financial reporting framework.	AU-C 570.21								

3.114	If conditions or events, considered in the aggregate, have been identified that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time but, based on the audit evidence obtained, the auditor concludes that substantial doubt has been alleviated by management's plans, the auditor should evaluate the adequacy of the financial statement disclosures required by the applicable financial reporting framework.	AU-C 570.22								
3.115	If the financial statements have been prepared using the going concern basis of accounting but, in the auditor's judgment, management's use of the going concern basis of accounting in the preparation of the financial statements is inappropriate, the auditor should express an adverse opinion.	AU-C 570.23								
3.116	If, after considering identified conditions or events and management's plans, the auditor concludes that substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time remains, the auditor should include a separate section in the auditor's report with the heading "Substantial Doubt About the Entity's Ability to Continue as a Going Concern" that does the following:	AU-C 570.24								
3.116.a	Draws attention to the note in the financial statements that discloses the conditions or events identified and management's plans that deal with these conditions or events and, that these conditions or events indicate that substantial doubt exists about the entity's ability to continue as a going concern for a reasonable period of time.	AU-C 570.24								
3.116.b	States that the auditor's opinion is not modified with respect to the matter.	AU-C 570.24								
3.117	The description in the "Going Concern" section about the entity's ability to continue as a going concern for a reasonable period of time should use terms consistent with those included in the applicable financial reporting framework. The auditor should not use conditional language concerning the existence of substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.	AU-C 570.25								
3.118	If adequate disclosure about an entity's ability to continue as a going concern for a reasonable period of time is not made in the financial statements, the auditor should do the following:	AU-C 570.26								
3.118.a	Express a qualified opinion or adverse opinion, as appropriate.	AU-C 570.26								
3.118.b	In the "Basis for Qualified (Adverse) Opinion" section of the auditor's report, state that (i) substantial doubt exists about the entity's ability to continue as a going concern and that the financial statements do not adequately disclose this matter or (ii) substantial doubt about the entity's ability to continue as a going concern has been alleviated by management's plans but the financial statements do not adequately disclose this matter.	AU-C 570.26								
3.119	If management is unwilling to perform or extend its evaluation to meet the period of time required by the applicable financial reporting framework when requested to do so by the auditor, the auditor should consider the implications for the auditor's report.	AU-C 570.27								
3.120	Unless all those charged with governance are involved in managing the entity, the auditor should communicate with those charged with governance regarding conditions and events, considered in the aggregate, that raise substantial doubt about an entity's ability to continue as a going concern for a reasonable period of time. Such communication with those charged with governance should include the following:	AU-C 570.28								
3.120.a	Whether the conditions or events, considered in the aggregate, that raise substantial doubt about an entity's ability to continue as a going concern for a reasonable period of time constitute substantial doubt.	AU-C 570.28								
3.120.b	The auditor's consideration of management's plans.	AU-C 570.28								
3.120.c	Whether management's use of the going concern basis of accounting, when relevant, is appropriate in the preparation of the financial statements.	AU-C 570.28								
3.120.d	The adequacy of related disclosures in the financial statements.	AU-C 570.28								
3.120.e	The implications for the auditor's report.	AU-C 570.28								
3.121	If substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time existed at the date of prior period financial statements that are presented on a comparative basis and that doubt has been removed in the current period, the going concern section included in the auditor's report on the financial statements of the prior period should not be repeated.	AU-C 570.29								

3.122	Management may request that the auditor reissue an auditor's report and eliminate a "Going Concern" section contained therein. Although an auditor has no obligation to reissue the report, if the auditor decides to reissue the report, the auditor should reassess the going concern status of the entity by doing the following:	AU-C 570.30								
3.122.a	Performing audit procedures related to the events or transactions that prompted the request to reissue the report without the "Going Concern" section.	AU-C 570.30								
3.122.b	Performing the procedures listed in AU-C 560, Subsequent Events and Subsequently Discovered Facts, at or near the date of reissuance, including procedures to evaluate the adequacy of the proposed disclosures regarding management's plans to mitigate the conditions or events that raised substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.	AU-C 570.30								
3.122.c	Considering the matters described in AU-C 570.16-.18 based on the conditions or circumstances at the date of reissuance.	AU-C 570.30								
3.122.d	Considering the implications for the auditor's report in accordance with AU-C 560.	AU-C 570.30								
3.123	If there is significant delay in the expected issuance of the financial statements by management or those charged with governance, the auditor should inquire about the reasons for the delay. If the auditor believes that the delay could be related to the evaluation of whether there is substantial doubt about the entity's ability to continue as a going concern, the auditor should perform additional audit procedures as necessary, as described in AU-C 570.16, as well as consider the effect on the auditor's conclusion regarding the existence of substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time, as described in AU-C 570.21.	AU-C 570.31								
3.124	If conditions or events are identified that, when considered in the aggregate, raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time before consideration of management's plans, the auditor should document the following:	AU-C 570.32								
3.124.a	The conditions or events that led the auditor to believe that there is substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.	AU-C 570.32								
3.124.b	The elements of management's plans that the auditor considered to be particularly significant to overcoming the conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern, if applicable.	AU-C 570.32								
3.124.c	The audit procedures performed to evaluate the significant elements of management's plans and evidence obtained, if applicable.	AU-C 570.32								
3.124.d	The auditor's conclusion regarding whether substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time remains or is alleviated. If substantial doubt remains, the auditor should also document the possible effects of the conditions or events on the financial statements and the adequacy of the related disclosures. If substantial doubt is alleviated, the auditor should also document the auditor's conclusion regarding the need for, and, if applicable, the adequacy of, disclosure of the principal conditions or events that initially caused the auditor to believe there was substantial doubt and management's plans that alleviated the substantial doubt.	AU-C 570.32								
3.124.e	The auditor's conclusion with respect to the effects on the auditor's report.	AU-C 570.32								
<b>Written Representations</b>										
3.125	The auditor should request written representations from management with appropriate responsibilities for the financial statements and knowledge of the matters concerned.	AU-C 580.09								
3.126	The auditor should request management to provide a written representation that it has fulfilled its responsibility, as set out in the terms of the audit engagement:	AU-C 580.10								
3.126.a	For the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework.	AU-C 580.10								
3.126.b	For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.	AU-C 580.10								
3.127	The auditor should request management to provide written representations that:	AU-C 580.11								

3.127.a	It has provided the auditor with all relevant information and access, as agreed upon in the terms of the audit engagement.	AU-C 580.11								
3.127.b	All transactions have been recorded and are reflected in the financial statements.	AU-C 580.11								
3.128	The auditor should request management to provide written representations that it:	AU-C 580.12								
3.128.a	Acknowledges its responsibility for the design, implementation, and maintenance of internal controls to prevent and detect fraud.	AU-C 580.12								
3.128.b	Has disclosed to the auditor the results of its assessment of the risk that the financial statements may be materially misstated as a result of fraud.	AU-C 580.12								
3.128.c	Has disclosed to the auditor its knowledge of fraud or suspected fraud affecting the entity involving management; employees who have significant roles in internal control; or others when the fraud could have a material effect on the financial statements.	AU-C 580.12								
3.128.d	Has disclosed to the auditor its knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements communicated by employees, former employees, regulators, or others.	AU-C 580.12								
3.129	The auditor should request management to provide written representations that all instances of identified or suspected noncompliance with laws and regulations whose effects should be considered by management when preparing financial statements have been disclosed to the auditor.	AU-C 580.13								
3.130	The auditor should request management to provide written representations about whether it believes the effects of uncorrected misstatements are immaterial, individually and in the aggregate, to the financial statements as a whole, and include (or attach) a summary of such items to the written representation.	AU-C 580.14								
3.131	The auditor should request management to provide written representations that all known actual or possible litigation and claims whose effects should be considered by management when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.	AU-C 580.15								
3.132	The auditor should request management to provide written representations about whether it believes significant assumptions used by it in making accounting estimates are reasonable.	AU-C 580.16								
3.133	The auditor should request management to provide written representations that:	AU-C 580.17								
3.133.a	It has disclosed to the auditor the identity of all the entity's related parties and all the related party relationships and transactions of which it is aware.	AU-C 580.17								
3.133.b	It has appropriately accounted for and disclosed such relationships and transactions.	AU-C 580.17								
3.134	The auditor should request management to provide written representations that all events occurring subsequent to the date of the financial statements and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.	AU-C 580.18								
3.135	If, in addition to required representations, the auditor determines that it is necessary to obtain one or more written representations to support other audit evidence relevant to the financial statements or one or more specific assertions in the financial statements, the auditor should request such other written representations.	AU-C 580.19								
3.136	The date of the written representations should be as of the date of the auditor's report on the financial statements, and be for all financial statements and period(s) referred to in the auditor's report.	AU-C 580.20								
3.137	The written representations should be in the form of a representation letter addressed to the auditor.	AU-C 580.21								
3.138	If the auditor has concerns about the competence, integrity, ethical values, or diligence of management or about management's commitment to, or enforcement of, these, the auditor should determine the effect that such concerns may have on the reliability of representations (oral or written) and audit evidence in general.	AU-C 580.22								

3.139	If written representations are inconsistent with other audit evidence, the auditor should perform audit procedures to attempt to resolve the matter, and if the matter remains unresolved, reconsider the assessment of the competence, integrity, ethical values, or diligence of management or of management's commitment to, or enforcement of, these and determine the effect that this may have on the reliability of representations (oral or written) and audit evidence in general.	AU-C 580.23								
3.140	If the auditor concludes that the written representations are not reliable, the auditor should take appropriate action, including determining the possible effect on the opinion in the auditor's report.	AU-C 580.24								
3.141	The auditor should disclaim an opinion on the financial statements (or withdraw from the engagement) if either of the following exists:	AU-C 580.25								
3.141.a	The auditor concludes that sufficient doubt exists about the integrity of management such that the written representations about management's responsibilities are not reliable.	AU-C 580.25								
3.141.b	Management does not provide the written representations about its responsibilities.	AU-C 580.25								
3.142	If management does not provide one or more of the requested written representations, the auditor should:	AU-C 580.26								
3.142.a	Discuss the matter with management.	AU-C 580.26								
3.142.b	Reevaluate the integrity of management and evaluate the effect that this may have on the reliability of representations (oral or written) and audit evidence in general.	AU-C 580.26								
3.142.c	Take appropriate actions, including determining the possible effect on the opinion in the auditor's report.	AU-C 580.26								
<b>Consideration of Omitted Procedures</b>										
3.143	If, subsequent to the report release date, the auditor becomes aware of an omitted procedure, the auditor should assess the effect of the omitted procedure on the auditor's present ability to support the previously expressed opinion on the financial statements.	AU-C 585.06								
3.144	If the auditor concludes that an omitted procedure of which the auditor has become aware impairs the auditor's present ability to support a previously expressed opinion on the financial statements and the auditor believes that there are users currently relying, or likely to rely, on the previously released report, the auditor should promptly perform the omitted procedure, or alternative procedures, to determine whether there is a satisfactory basis for the auditor's previously expressed opinion. The procedures performed should be included in the audit documentation.	AU-C 585.07								
3.145	When, as a result of the subsequent performance of an omitted procedure or alternative procedures, the auditor becomes aware of facts regarding the financial statements that existed at the report release date that, had they been known to the auditor at that date, may have caused the auditor to revise the auditor's report, the auditor should apply the requirements of AU-C 560.15-.18 (Subsequent Events and Subsequently Discovered Facts).	AU-C 585.08								
<b>4   AICPA Standards – Using the Work of Others</b>										
<b>Special Considerations – Audits of Group Financial Statements (Including the Work of Component Auditors)</b>										
4.1	Regarding group audit acceptance and continuance, the group engagement partner (or equivalent) should perform the following:	AU-C 600.14-.17								
4.1.a	Determine whether sufficient appropriate audit evidence can reasonably be expected to be obtained regarding the consolidation process and the financial information of the components on which to base the group audit opinion.	AU-C 600.14								
4.1.b	Evaluate whether the group engagement team will be able to obtain sufficient appropriate audit evidence through the group engagement team's work or use of the work of component auditors to act as the auditor of the group financial statements and report as such on the group financial statements.	AU-C 600.15								
4.1.c	Take the following action in those circumstances where the group engagement partner (or equivalent) concludes that it will not be possible, due to restrictions imposed by group management, for the group engagement team to obtain sufficient appropriate audit evidence through the group engagement team's work or use of the work of component auditors:	AU-C 600.16								

4.1.c.i	In the case of a new engagement, not accept the engagement, or, in the case of a continuing engagement, withdraw from the engagement when withdrawal is possible under applicable law or regulation, or	AU-C 600.16								
4.1.c.ii	When the entity is required by law or regulation to have an audit, having performed the audit of the group financial statements to the extent possible, disclaim an opinion on the group financial statements.	AU-C 600.16								
4.1.d	Agree to the terms of the group audit engagement.	AU-C 600.17								
4.2	In developing an overall group audit strategy and audit plan:	AU-C 600.18-19								
4.2.a	The group engagement team should assess the extent to which it will use the work of component auditors and whether the auditor's report on the group financial statements will make reference to the audit of a component auditor.	AU-C 600.18-19								
4.2.b	The group engagement partner (or equivalent) should review and approve the overall group audit strategy and group audit plan.	AU-C 600.19								
4.3	As part of understanding the group, its components, and their environments:	AU-C 600.20-21								
4.3.a	The group engagement team should:	AU-C 600.20								
4.3.a.i	Enhance its understanding of the group, its components, and their environments, including group-wide controls, obtained during the acceptance or continuance stage.	AU-C 600.20								
4.3.a.ii	Obtain an understanding of the consolidation process.	AU-C 600.20								
4.3.b	The group engagement team should obtain an understanding that is sufficient to:	AU-C 600.21								
4.3.b.i	Confirm or revise its initial identification of components that are likely to be significant.	AU-C 600.21								
4.3.b.ii	Assess the risks of material misstatement of the group financial statements, whether due to fraud or error.	AU-C 600.21								
4.4	Regardless of whether or not reference will be made in the auditor's report on the group financial statements to the audit of a component auditor, the group engagement team should obtain an understanding of the following:	AU-C 600.22								
4.4.a	Whether a component auditor understands and will comply with the ethical requirements that are relevant to the group audit and, in particular, is independent.	AU-C 600.22								
4.4.b	A component auditor's professional competence.	AU-C 600.22								
4.4.c	The extent, if any, to which the group engagement team will be able to be involved in the work of the component auditor.	AU-C 600.22								
4.4.d	Whether the group engagement team will be able to obtain information affecting the consolidation process from a component auditor.	AU-C 600.22								
4.4.e	Whether a component auditor operates in a regulatory environment that actively oversees auditors.	AU-C 600.22								
4.5	When a component auditor does not meet the independence requirements that are relevant to the group audit or the group engagement team has serious concerns about the other matters listed above, the group engagement team should obtain sufficient appropriate audit evidence relating to the financial information of the component without making reference to the audit of that component auditor in the auditor's report on the group financial statements or otherwise using the work of that component auditor.	AU-C 600.23								
4.6	Having gained an understanding of each component auditor, the group engagement partner (or equivalent) should decide whether to make reference to a component auditor in the auditor's report on the group financial statements.	AU-C 600.24								
4.7	Reference to the audit of a component auditor in the auditor's report on the group financial statements should not be made unless the following apply:	AU-C 600.25								
4.7.a	The group engagement partner (or equivalent) has determined that the component auditor has performed an audit of the financial statements of the component in accordance with the relevant requirements of generally accepted auditing standards.	AU-C 600.25								
4.7.b	The component auditor has issued an auditor's report that is not restricted as to use.	AU-C 600.25								
4.8	If the component's financial statements are prepared using a different financial reporting framework from that used for the group financial statements, reference to the audit of a component auditor in the auditor's report on the group financial statements should not be made unless:	AU-C 600.26								

4.8.a	The measurement, recognition, presentation, and disclosure criteria that are applicable to all material items in the component's financial statements under the financial reporting framework used by the component are similar to the criteria that are applicable to all material items in the group's financial statements under the financial reporting framework used by the group.	AU-C 600.26								
4.8.b	The group engagement team has obtained sufficient appropriate audit evidence for purposes of evaluating the appropriateness of the adjustments to convert the component's financial statements to the financial reporting framework used by the group without the need to assume responsibility for, and thus, be involved in, the work of the component auditor.	AU-C 600.26								
4.9	When the group engagement partner (or equivalent) decides to make reference in the auditor's report on the group financial statements to the audit of a component auditor, the group engagement team should obtain sufficient appropriate audit evidence with regard to such components including, among other things, reading the component's financial statements and the component auditor's report.	AU-C 600.27								
4.10	When the group engagement partner (or equivalent) decides to make reference to the audit of a component auditor in the auditor's report on the group financial statements, the report on the group financial statements should clearly indicate:	AU-C 600.28								
4.10.a	That the component was not audited by the auditor of the group financial statements but was audited by the component auditor.	AU-C 600.28								
4.10.b	The magnitude of the portion of the financial statements audited by the component auditor.	AU-C 600.28								
4.10.c	When the component's financial statements are prepared using a different financial reporting framework from that used for the group financial statements:	AU-C 600.28								
4.10.c.i	The financial reporting framework used by the component and	AU-C 600.28								
4.10.c.ii	That the auditor of the group financial statements is taking responsibility for evaluating the appropriateness of the adjustments to convert the component's financial statements to the financial reporting framework used by the group.	AU-C 600.28								
4.10.d	When the component auditor's report on the component's financial statements does not state that the audit of the component's financial statements was performed in accordance with GAAS, and the group engagement partner (or equivalent) has determined that the component auditor performed additional audit procedures in order to meet the relevant requirements of GAAS:	AU-C 600.28								
4.10.d.i	The set of auditing standards used by the component auditor and	AU-C 600.28								
4.10.d.ii	That additional audit procedures were performed by the component auditor to meet the relevant requirements of GAAS.	AU-C 600.28								
4.11	If the group engagement partner (or equivalent) decides to name a component auditor in the auditor's report on the group financial statements:	AU-C 600.29								
4.11.a	The component auditor's express permission should be obtained.	AU-C 600.29								
4.11.b	The component auditor's report should be presented together with that of the auditor's report on the group financial statements.	AU-C 600.29								
4.12	If the opinion of a component auditor is modified or that report includes an emphasis-of-matter or other-matter paragraph, the auditor of the group financial statements should determine the effect that this may have on the auditor's report on the group financial statements, including, if deemed appropriate, modifying the opinion on the group financial statements or including an emphasis-of-matter paragraph or an other-matter paragraph in the auditor's report on the group financial statements.	AU-C 600.30								
4.13	If the group engagement partner (or equivalent) decides to assume responsibility for work of a component auditor, no reference should be made to the component auditor in the auditor's report on the group financial statements.	AU-C 600.31								
4.14	The group engagement team should determine the following:	AU-C 600.32								
4.14.a	Materiality, including performance materiality, for the group financial statements as a whole when establishing the overall group audit strategy.	AU-C 600.32								

4.14.b	Whether, in the specific circumstances of the group, particular classes of transactions, account balances, or disclosures in the group financial statements exist for which there is a substantial likelihood that misstatements of lesser amounts than materiality for the group financial statements as a whole would influence the judgment made by a reasonable user based on the group financial statements. (Note: In such circumstances, the group engagement team should determine materiality to be applied to those particular classes of transactions, account balances, or disclosures.)	AU-C 600.32								
4.14.c	Component materiality for those components on which the group engagement team will perform, or for which the auditor of the group financial statements will assume responsibility for the work of a component auditor who performs, an audit or a review.	AU-C 600.32								
4.14.d	The threshold above which misstatements cannot be regarded as clearly trivial to the group financial statements.	AU-C 600.32								
4.15	In responding to assessed risks, the auditor should design and implement appropriate responses to address the assessed risks of material misstatement of the financial statements, including, where appropriate, requiring the group engagement team to test, or have a component auditor test on the group engagement team's behalf, the operating effectiveness of the group-wide controls.	AU-C 600.33								
4.16	As part of the consolidation process, the group engagement team should:	AU-C 600.34-.39								
4.16.a	Design and perform further audit procedures, including evaluating whether, all components have been included in the group financial statements, on the consolidation process to respond to the assessed risks of material misstatement of the group financial statements arising from the consolidation process.	AU-C 600.35								
4.16.b	Evaluate the appropriateness, completeness, and accuracy of consolidation adjustments and reclassifications and should evaluate whether any fraud risk factors or indicators of possible management bias exist.	AU-C 600.36								
4.16.c	Evaluate whether the financial information of a component that has not been prepared in accordance with the same accounting policies applied to the group financial statements, has been appropriately adjusted for purposes of the preparation and fair presentation of the group financial statements in accordance with the applicable financial reporting framework.	AU-C 600.37								
4.16.d	Determine whether the financial information identified in a component auditor's communication is the financial information that is incorporated in the group financial statements.	AU-C 600.38								
4.16.e	Evaluate whether appropriate adjustments have been made to the financial statements of a component with a financial reporting period-end that differs from that of the group.	AU-C 600.39								
4.17	The group engagement team or the component auditors should perform procedures designed to identify events at those components that occur between the dates of the financial information of the components and the date of the auditor's report on the group financial statements, and that may require adjustment to, or disclosure in, the group financial statements.	AU-C 600.40								
4.18	The group engagement team should communicate the following items to the component auditor on a timely basis:	AU-C 600.41								
4.18.a	A request that the component auditor will cooperate with the group engagement team.	AU-C 600.41								
4.18.b	The ethical requirements that are relevant to the group audit and, in particular, the independence requirements.	AU-C 600.41								
4.18.c	A list of related parties prepared by group management and any other related parties of which the group engagement team is aware, including the nature of the entity's relationships and transactions with those related parties. The group engagement team should request the component auditor to communicate on a timely basis related parties not previously identified by group management or the group engagement team. The group engagement team should identify such additional related parties to other component auditors.	AU-C 600.41								
4.18.d	Identified significant risks of material misstatement of the group financial statements, due to fraud or error, that are relevant to the work of the component auditor.	AU-C 600.41								
4.19	The group engagement team should request a component auditor to communicate the following matters relevant to the group engagement team's conclusion:	AU-C 600.42								

4.19.a	Whether the component auditor has complied with ethical requirements relevant to the group audit, including independence and professional competence.	AU-C 600.42							
4.19.b	Identification of the financial information of the component on which the component auditor is reporting.	AU-C 600.42							
4.19.c	The component auditor's overall findings, conclusions, or opinion.	AU-C 600.42							
4.20	The group engagement team should evaluate a component auditor's communication, and discuss significant findings and issues arising from that evaluation with the component auditor, component management, or group management, as appropriate.	AU-C 600.43							
4.21	The group engagement team should evaluate whether sufficient appropriate audit evidence on which to base the group audit opinion has been obtained from the audit procedures performed on the consolidation process and the work performed by the group engagement team and the component auditors on the financial information of the components.	AU-C 600.44							
4.22	The group engagement partner (or equivalent) should evaluate the effect on the group audit opinion of any uncorrected misstatements (either identified by the group engagement team or communicated by component auditors) and any instances in which there has been an inability to obtain sufficient appropriate audit evidence.	AU-C 600.45							
4.23	Regarding communication with group management and those charged with governance, the group engagement team should:	AU-C 600.46-48							
4.23.a	Communicate to group management and those charged with governance of the group material weaknesses and significant deficiencies in internal control that are relevant to the group (either identified by the group engagement team or brought to its attention by a component auditor during the audit).	AU-C 600.46							
4.23.b	Communicate fraud or suspected fraud on a timely basis to the appropriate level of group management in order to inform those with primary responsibility for the prevention and detection of fraud of matters relevant to their responsibilities.	AU-C 600.47							
4.23.c	Request group management to inform component management of any matter of which the group engagement team becomes aware that may be significant to the financial statements of the component, but of which component management may be unaware. Note: if group management refuses to communicate the matter to component management, the group engagement team should discuss the matter with those charged with governance of the group.	AU-C 600.48							
4.24	The group engagement team should communicate the following with those charged with governance of the group:	AU-C 600.49							
4.24.a	An overview of the type of work to be performed on the financial information of the components, including the basis for the decision to make reference to the audit of a component auditor in the auditor's report on the group financial statements.	AU-C 600.49							
4.24.b	An overview of the nature of the group engagement team's planned involvement in the work to be performed by the component auditors on the financial information of significant components.	AU-C 600.49							
4.24.c	Instances in which the group engagement team's evaluation of the work of a component auditor gave rise to a concern about the quality of that auditor's work.	AU-C 600.49							
4.24.d	Any limitations on the group audit.	AU-C 600.49							
4.24.e	Fraud or suspected fraud involving group management, component management, employees who have significant roles in group-wide controls, or others in which a material misstatement of the group financial statements has or may have resulted from fraud.	AU-C 600.49							
4.25	The group engagement team should include the following items in the audit documentation:	AU-C 600.50							
4.25.a	An analysis of components indicating those that are significant and the type of work performed on the financial information of the components.	AU-C 600.50							
4.25.b	Those components for which reference to the reports of component auditors is made in the auditor's report on the group financial statements.	AU-C 600.50							
4.25.c	Written communications between the group engagement team and the component auditors about the group engagement team's requirements.	AU-C 600.50							
4.25.d	For those components for which reference is made in the auditor's report on the group financial statements to the audit of a component auditor:	AU-C 600.50							
4.25.d.i	The financial statements of the component and the report of the component auditor thereon	AU-C 600.50							

4.25.d.ii	When the component auditor's report on the component's financial statements does not state that the audit of the component's financial statements was performed in accordance with GAAS, the basis for the group engagement partner's (or equivalent's) determination that the audit performed by the component auditor met the relevant requirements of GAAS.	AU-C 600.50								
4.26	In the case of an audit of the financial information of a component in which the auditor of the group financial statements is assuming responsibility for the component auditor's work, the group engagement team should evaluate the appropriateness of performance materiality at the component level.	AU-C 600.51								
4.27	For components for which the auditor of the group financial statements is assuming responsibility for the work of component auditors, the group engagement team should determine the type of work to be performed by the group engagement team or by component auditors on its behalf on the financial information of the components, and determine the nature, timing, and extent of its involvement in the work of component auditors.	AU-C 600.52								
4.28	For a component that is significant due to its individual financial significance to the group, the group engagement team, or a component auditor on its behalf, should perform an audit of the financial information of the component using component materiality.	AU-C 600.53								
4.29	For a component that is significant not due to its individual financial significance but because it is likely to include significant risks of material misstatement of the group financial statements due to its specific nature or circumstances, the group engagement team, or a component auditor on its behalf, should perform one or more of the following:	AU-C 600.54								
4.29.a	An audit, adapted as necessary to meet the needs of the group engagement team, of the financial information of the component, using component materiality.	AU-C 600.54								
4.29.b	An audit, adapted as necessary to meet the needs of the group engagement team, of one or more account balances, classes of transactions, or disclosures relating to the likely significant risks of material misstatement of the group financial statements.	AU-C 600.54								
4.29.c	Specified audit procedures relating to the likely significant risks of material misstatement of the group financial statements.	AU-C 600.54								
4.30	For components that are not significant components, the group engagement team should perform analytical procedures at the group level.	AU-C 600.55								
4.31	In those circumstances where the group engagement team determines that sufficient appropriate audit evidence on which to base the group audit opinion will not be obtained from the work performed on the financial information of significant components, the work performed on group-wide controls and the consolidation process, or the analytical procedures performed at group level, the group engagement team should select additional components that are not significant components and perform or request a component auditor to perform one or more of the following on the financial information of the individual components selected:	AU-C 600.56								
4.31.a	An audit, adapted as necessary to meet the needs of the group engagement team, of the financial information of the component, using component materiality.	AU-C 600.56								
4.31.b	An audit, adapted as necessary to meet the needs of the group engagement team, of one or more account balances, classes of transactions, or disclosures.	AU-C 600.56								
4.31.c	A review of the financial information of the component, adapted as necessary to meet the needs of the group engagement team, using component materiality.	AU-C 600.56								
4.31.d	Specified audit procedures.	AU-C 600.56								
4.32	When a component auditor performs an audit or other specified audit procedures of the financial information of a significant component for which the auditor of the group financial statements is assuming responsibility for the component auditor's work, the group engagement team should be involved in the risk assessment of the component to identify significant risks of material misstatement of the group financial statements by performing, at a minimum, the following:	AU-C 600.57								
4.32.a	Discussing with the component auditor or component management the component's business activities of significance to the group.	AU-C 600.57								

4.32.b	Discussing with the component auditor the susceptibility of the component to material misstatement of the financial information due to fraud or error.	AU-C 600.57								
4.32.c	Reviewing the component auditor's documentation of identified significant risks of material misstatement of the group financial statements.	AU-C 600.57								
4.33	When significant risks of material misstatement of the group financial statements have been identified in a component for which the auditor of the group financial statements is assuming responsibility for the work of a component auditor, the group engagement team should evaluate the appropriateness of the further audit procedures to be performed to respond to the identified significant risks of material misstatement of the group financial statements.	AU-C 600.58								
4.34	When component auditors perform work other than audits of the financial information of components at the request of the group engagement team, the group engagement team should request the component auditors to notify the group engagement team if they become aware of events at those components that occur between the dates of the financial information of the components and the date of the auditor's report on the group financial statements that may require an adjustment to, or disclosure in, the group financial statements.	AU-C 600.59								
4.35	When the auditor of the group financial statements is assuming responsibility for the work of a component auditor, in addition to other required communication between the component auditor and the group engagement team, the communication should also include component materiality (and the amount or amounts lower than the materiality for particular classes of transactions, account balances, or disclosures, if applicable) and the threshold above which misstatements cannot be regarded as clearly trivial to the group financial statements.	AU-C 600.60								
4.36	When the auditor of the group financial statements is assuming responsibility for the work of a component auditor, the communication requested from the component auditor also should include the following:	AU-C 600.61								
4.36.a	Whether the component auditor has complied with the group engagement team's requirements.	AU-C 600.61								
4.36.b	Information on instances of noncompliance with laws or regulations at the component or group level that could give rise to a material misstatement of the group financial statements.	AU-C 600.61								
4.36.c	Significant risks of material misstatement of the group financial statements, due to fraud or error, identified by the component auditor in the component and the component auditor's responses to such risks.	AU-C 600.61								
4.36.d	A list of corrected and uncorrected misstatements of the financial information of the component.	AU-C 600.61								
4.36.e	Indicators of possible management bias regarding accounting estimates and the application of accounting principles.	AU-C 600.61								
4.36.f	Description of any identified material weaknesses and significant deficiencies in internal control at the component level.	AU-C 600.61								
4.36.g	Other significant findings and issues that the component auditor communicated or expects to communicate to those charged with governance of the component, including fraud or suspected fraud involving component management, employees who have significant roles in internal control at the component level, or others that resulted in a material misstatement of the financial information of the component.	AU-C 600.61								
4.36.h	Any other matters that may be relevant to the group audit or that the component auditor wishes to draw to the attention of the group engagement team, including exceptions noted in the written representations that the component auditor requested from component management.	AU-C 600.61								
4.37	If the group engagement team concludes that the work of a component auditor is insufficient, the group engagement team should determine additional procedures to be performed and whether they are to be performed by the component auditor or by the group engagement team.	AU-C 600.63								
4.38	The group engagement team should determine which material weaknesses and significant deficiencies in internal control that component auditors have brought to the attention of the group engagement team should be communicated to group management and those charged with governance of the group.	AU-C 600.64								

4.39	The group engagement team should include in the audit documentation the nature, timing, and extent of the group engagement team's involvement in the work performed by the component auditors on significant components, including, when applicable, the group engagement team's review of relevant parts of the component auditors' audit documentation and conclusions thereon.	AU-C 600.65								
<b>Using the Work of Internal Auditors</b>										
4.40	The external auditor should determine whether the work of the internal audit function can be used in obtaining audit evidence by evaluating the following:	AU-C 610.13								
4.40.a	The extent to which the internal audit function's organizational status and relevant policies and procedures support the objectivity of the internal auditors.	AU-C 610.13								
4.40.b	The level of competence of the internal audit function.	AU-C 610.13								
4.40.c	The application by the internal audit function of a systematic and disciplined approach, including quality control.	AU-C 610.13								
4.41	As a basis for determining the areas and the extent to which the work of the internal audit function can be used, the external auditor should consider the nature, timing, and extent of the work that has been performed, or is planned to be performed, by the internal audit function and its relevance to the external auditor's overall audit strategy and audit plan.	AU-C 610.15								
4.42	The external auditor should make all significant judgments in the audit engagement, including when using the work of the internal audit function in obtaining audit evidence.	AU-C 610.16								
4.43	To prevent undue use of the internal audit function in obtaining audit evidence, the external auditor should plan to use less of the work of the function and perform more of the work directly (i.e., the more judgment is involved in planning and performing relevant audit procedures or evaluating the audit evidence obtained, the higher the assessed risk of material misstatement at the assertion level, with special consideration given to significant risks; the less the internal audit function's organizational status and relevant policies and procedures adequately support the objectivity of the internal auditors; and the lower the level of competence of the internal audit function).	AU-C 610.17								
4.44	The external auditor should also evaluate whether, in aggregate, using the work of the internal audit function in obtaining audit evidence to the extent planned, together with any planned use of internal auditors to provide direct assistance, would result in the external auditor still being sufficiently involved in the audit, given the external auditor's sole responsibility for the audit opinion expressed.	AU-C 610.18								
4.45	In communicating an overview of the planned scope and timing of the audit to those charged with governance, the external auditor should communicate how the external auditor has planned to use the work of the internal audit function in obtaining audit evidence.	AU-C 610.19								
4.46	If the external auditor plans to use the work of the internal audit function in obtaining audit evidence, the external auditor should discuss the planned use of the work with the function as a basis for coordinating their respective activities.	AU-C 610.20								
4.47	The external auditor should read the reports of the internal audit function, which relate to the work of the function that the external auditor plans to use to obtain an understanding of the nature and extent of audit procedures the internal audit function performed and the related findings.	AU-C 610.21								
4.48	The external auditor should perform sufficient audit procedures on the body of work of the internal audit function as a whole that the external auditor plans to use to determine its adequacy for purposes of the audit, including evaluating whether:	AU-C 610.22								
4.48.a	The work of the function was properly planned, performed, supervised, reviewed, and documented.	AU-C 610.22								
4.48.b	Sufficient appropriate evidence was obtained to enable the function to draw reasonable conclusions.	AU-C 610.22								
4.48.c	Conclusions reached are appropriate in the circumstances, and the reports prepared by the function are consistent with the results of the work performed.	AU-C 610.22								
4.49	The nature and extent of the external auditor's audit procedures should be responsive to the external auditor's evaluation of	AU-C 610.23								
4.49.a	The amount of judgment involved in planning and performing relevant audit procedures and evaluating the audit evidence obtained.	AU-C 610.23								
4.49.b	The assessed risk of material misstatement.	AU-C 610.23								

4.49.c	The extent to which the internal audit function's organizational status and relevant policies and procedures support the objectivity of the internal auditors.	AU-C 610.23								
4.49.d	The level of competence of the function.	AU-C 610.23								
4.50	The external auditor should also reperform some of the body of work of the internal audit function that the external auditor intends to use in obtaining audit evidence.	AU-C 610.23								
4.51	Before the conclusion of the audit, the external auditor should evaluate whether the external auditor's conclusions regarding the internal audit function and the determination of the nature and extent of use of the work of the function for purposes of the audit remain appropriate.	AU-C 610.24								
4.52	In determining the nature and extent of work that may be assigned to internal auditors providing direct assistance and the nature, timing, and extent of direction, supervision, and review that is appropriate in the circumstances, the external auditor should consider:	AU-C 610.25, .27								
4.52.a	The external auditor's evaluation of the existence and significance of threats to the internal auditors' objectivity, the effectiveness of the safeguards applied to reduce or eliminate the threats, and the level of competence of the internal auditors who will be providing such assistance.	AU-C 610.27								
4.52.b	The assessed risk of material misstatement.	AU-C 610.27								
4.52.c	The amount of judgment involved in planning and performing relevant audit procedures and evaluating the audit evidence obtained.	AU-C 610.27								
4.53	In communicating an overview of the planned scope and timing of the audit with those charged with governance, the external auditor should communicate how the external auditor plans to use internal auditors to provide direct assistance.	AU-C 610.28								
4.54	The external auditor should evaluate whether, in aggregate, using internal auditors to provide direct assistance to the extent planned, together with any planned use of the work of the internal audit function in obtaining audit evidence, would result in the external auditor still being sufficiently involved in the audit, given the external auditor's sole responsibility for the audit opinion expressed.	AU-C 610.29								
4.55	Prior to using internal auditors to provide direct assistance, the external auditor should obtain written acknowledgment from management or those charged with governance, as appropriate, that internal auditors providing direct assistance to the external auditor will be allowed to follow the external auditor's instructions, and that the entity will not intervene in the work the internal auditor performs for the external auditor.	AU-C 610.30								
4.56	The external auditor should direct, supervise, and review the work performed by internal auditors on the engagement in accordance with AU-C 220, Quality Control for an Engagement Conducted in Accordance With Generally Accepted Auditing Standards. In so doing	AU-C 610.31								
4.56.a	The nature, timing, and extent of direction, supervision, and review should be responsive to the outcome of the evaluation of the factors in AU-C 610.27.	AU-C 610.31								
4.56.b	The external auditor should instruct the internal auditors to bring accounting and auditing issues identified during the audit to the attention of the external auditor.	AU-C 610.31								
4.56.c	The review procedures should include the external auditor testing some of the work performed by the internal auditors.	AU-C 610.31								
4.57	When directing, supervising, and reviewing the work performed by internal auditors, the external auditor should remain alert for indications that the external auditor's evaluations in AU-C 610.25 and .29 are no longer appropriate.	AU-C 610.32								
4.58	If the external auditor uses the work of the internal audit function in obtaining audit evidence, the external auditor should include the following in the audit documentation:	AU-C 610.33								
4.58.a	The results of the evaluation of the function's organizational status and relevant policies and procedures to adequately support the objectivity of the internal auditors; the level of competence of the function; and the application by the function of a systematic and disciplined approach, including quality control.	AU-C 610.33								
4.58.b	The nature and extent of the work used (including the period covered by, and the results of, such work) and the basis for that decision.	AU-C 610.33								
4.58.c	The audit procedures performed by the external auditor to evaluate the adequacy of the work used, including the procedures performed by the external auditor to reperform some of the body of work of the internal audit function in obtaining audit evidence.	AU-C 610.33								

4.59	If the external auditor uses internal auditors to provide direct assistance on the audit, the external auditor should include the following in the audit documentation:	AU-C 610.34								
4.59.a	The evaluation of the existence and significance of threats to the objectivity of the internal auditors, as well as any safeguards applied to reduce or eliminate the threats, and the level of competence of the internal auditors used to provide direct assistance	AU-C 610.34								
4.59.b	The basis for the decision regarding the nature and extent of the work performed by the internal auditors.	AU-C 610.34								
4.59.c	The nature and extent of the external auditor's review of the internal auditors' work (including the testing, by the external auditor, of some of the work performed by the internal auditors).	AU-C 610.34								
4.59.d	The working papers prepared by the internal auditors who provided direct assistance on the audit engagement.	AU-C 610.34								
4.60	If the external auditor uses either the work of the internal audit function in obtaining audit evidence or internal auditors to provide direct assistance, or both, the external auditor should include in the audit documentation the external auditor's evaluation of whether, either individually or in aggregate as applicable, using the work of the internal audit function in obtaining audit evidence and use of internal auditors to provide direct assistance resulted in the external auditor still being sufficiently involved in the audit, given the external auditor's sole responsibility for the audit opinion expressed.	AU-C 610.35								
<b>Using the Work of an Auditor's Specialist</b>										
4.61	If expertise in a field other than accounting or auditing is necessary to obtain sufficient appropriate audit evidence, the auditor should determine whether to use the work of an auditor's specialist.	AU-C 620A.07								
4.62	In determining the nature, timing, and extent of procedures to be performed, the auditor should consider matters including:	AU-C 620A.08								
4.62.a	The nature of the matter to which the work of the auditor's specialist relates.	AU-C 620A.08								
4.62.b	The risks of material misstatement in the matter to which the work of the auditor's specialist relates.	AU-C 620A.08								
4.62.c	The significance of the work of the auditor's specialist in the context of the audit.	AU-C 620A.08								
4.62.d	The auditor's knowledge of, and experience with, previous work performed by the auditor's specialist.	AU-C 620A.08								
4.62.e	Whether the auditor's specialist is subject to the audit organization's quality control policies and procedures.	AU-C 620A.08								
4.63	The auditor should evaluate whether the auditor's specialist has the necessary competence, capabilities, and objectivity for the auditor's purposes.	AU-C 620A.09								
4.64	The auditor should obtain a sufficient understanding of the field of expertise of the auditor's specialist to enable the auditor to:	AU-C 620A.10								
4.64.a	Determine the nature, scope, and objectives of the work of the auditor's specialist for the auditor's purposes.	AU-C 620A.10								
4.64.b	Evaluate the adequacy of that work for the auditor's purposes.	AU-C 620A.10								
4.65	The auditor should agree, in writing when appropriate, with the auditor's specialist regarding:	AU-C 620A.11								
4.65.a	The nature, scope, and objectives of the work of the auditor's specialist.	AU-C 620A.11								
4.65.b	The respective roles and responsibilities of the auditor and the auditor's specialist.	AU-C 620A.11								
4.65.c	The nature, timing, and extent of communication between the auditor and the auditor's specialist, including the form of any report to be provided by the auditor's specialist.	AU-C 620A.11								
4.65.d	The need for the auditor's specialist to observe confidentiality requirements.	AU-C 620A.11								
4.66	The auditor should evaluate the adequacy of the work of the auditor's specialist for the auditor's purposes, including:	AU-C 620A.12								
4.66.a	The relevance and reasonableness of the findings and conclusions of the auditor's specialist and their consistency with other audit evidence.	AU-C 620A.12								
4.66.b	If the work of the auditor's specialist involves the use of significant assumptions and methods:	AU-C 620A.12								
4.66.b.i	Obtaining an understanding of those assumptions and methods and	AU-C 620A.12								
4.66.b.ii	Evaluating the relevance and reasonableness of those assumptions and methods in the circumstances, giving consideration to the rationale and support provided by the specialist, and in relation to the auditor's other findings and conclusions	AU-C 620A.12								

4.66.c	If the work of the auditor's specialist involves the use of source data that is significant to the work of the auditor's specialist, the relevance, completeness, and accuracy of that source data.	AU-C 620A.12							
4.67	If the auditor determines that the work of the auditor's specialist is not adequate for the auditor's purposes, the auditor should agree with the auditor's specialist on the nature and extent of further work to be performed by the auditor's specialist or perform additional audit procedures appropriate to the circumstances.	AU-C 620A.13							
4.68	The auditor should not refer to the work of an auditor's specialist in an auditor's report containing an unmodified opinion.	AU-C 620A.14							
4.69	If the auditor makes reference to the work of an auditor's external specialist in the auditor's report because such reference is relevant to an understanding of a modification to the auditor's opinion, the auditor should indicate in the auditor's report that such reference does not reduce the auditor's responsibility for that opinion.	AU-C 620A.15							
<b>5   Additional GAGAS Requirements for Performing Financial Audits</b>									
<b>Compliance with Standards</b>									
5.1	Auditors should comply with the additional GAGAS requirements, along with AICPA requirements for financial audits, when citing GAGAS in financial audit reports.	GAO 6.02							
<b>Auditor Communication</b>									
5.2	If the law or regulation requiring an audit specifically identifies the entities to be audited, auditors should communicate pertinent information that in the auditor's professional judgment needs to be communicated both to individuals contracting for or requesting the audit and to those legislative committees, if any, that have ongoing oversight responsibilities for the audited entity.	GAO 6.06							
5.3	If the identity of those charged with governance is not clearly evident, auditors should document the process followed and conclusions reached in identifying the appropriate individuals to receive the required communications.	GAO 6.07							
<b>Results of Previous Engagements</b>									
5.4	When planning the audit, auditors should ask management of the audited entity to identify previous audits, attestation engagements, and other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented.	GAO 6.11							
5.5	Auditors should evaluate whether the audited entity has taken appropriate corrective action to address findings and recommendations from previous engagements that could have a significant effect on the subject matter.	GAO 6.11							
5.6	Auditors should use the information obtained in questions 5.4 and 5.5 above in assessing risk and determining the nature, timing, and extent of current audit work and determining the extent to which testing the implementation of the corrective actions is applicable to the current audit objectives.	GAO 6.11							
<b>Investigations or Legal Proceedings</b>									
5.7	Auditors should inquire of management of the audited entity whether any investigations or legal proceedings have been initiated or are in process, with respect to the period under audit, and should evaluate the effect of initiated or in-process investigations or legal proceedings on the current audit.	GAO 6.12							
<b>Noncompliance with Provisions of Laws, Regulations, Contracts, and Grant Agreements</b>									
5.8	Auditors should extend the AICPA requirements concerning consideration of noncompliance with laws and regulations to include consideration of noncompliance with provisions of contracts and grant agreements.	GAO 6.15							
<b>Findings</b>									
5.9	When auditors identify findings, auditors should plan and perform procedures to develop the criteria, condition, cause, and effect of the findings to the extent that these elements are relevant and necessary to achieve the audit objectives.	GAO 6.17							
5.10	Auditors should consider internal control deficiencies in their evaluation of identified findings when developing the cause element of the identified findings.	GAO 6.18							
<b>Audit Documentation</b>									
5.11	Auditors should document supervisory review, before the report release date, of the evidence that supports the findings and conclusions contained in the audit report.	GAO 6.31							

5.12	Auditors should document any departures from the GAGAS requirements and the effect on the audit and on the auditors' conclusions when the audit is not in compliance with applicable GAGAS requirements because of law, regulation, scope limitations, restrictions on access to records, or other issues affecting the audit.	GAO 6.32								
<b>Availability of Individuals and Documentation</b>										
5.13	Subject to applicable provisions of laws and regulations, auditors should make appropriate individuals and audit documentation available upon request and in a timely manner to other auditors or reviewers.	GAO 6.34								
<b>6   AICPA Standards – Audit Conclusions and Reporting</b>										
<b>Forming an Opinion and Reporting on Financial Statements</b>										
6.1	The auditor should form an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with the applicable financial reporting framework.	AU-C 700.12								
6.2	In forming an opinion, the auditor should conclude whether the auditor has obtained reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, taking into account the following:	AU-C 700.13								
6.2.a	The auditor's conclusion about whether sufficient appropriate audit evidence has been obtained.	AU-C 700.13								
6.2.b	The auditor's conclusion about whether uncorrected misstatements are material, individually or in aggregate.	AU-C 700.13								
6.2.c	The evaluations required by AU-C 700.14-.17.	AU-C 700.13								
6.3	The auditor should evaluate whether the financial statements are prepared, in all material respects, in accordance with the requirements of the applicable financial reporting framework, including evaluating whether:	AU-C 700.14-15								
6.3.a	The financial statements appropriately disclose the significant accounting policies selected and applied. In making this evaluation, the auditor should consider the relevance of the accounting policies to the entity and whether they have been presented in an understandable manner.	AU-C 700.14-15								
6.3.b	The accounting policies selected and applied are consistent with the applicable financial reporting framework and are appropriate.	AU-C 700.14-15								
6.3.c	The accounting estimates made by management are reasonable.	AU-C 700.14-15								
6.3.d	The information presented in the financial statements is relevant, reliable, comparable, and understandable. In making this evaluation, the auditor should consider whether all required information has been included, and whether such information is appropriately classified, aggregated or disaggregated, and presented.	AU-C 700.14-15								
6.3.e	The financial statements provide adequate disclosures to enable the intended users to understand the effect of material transactions and events on the information conveyed in the financial statements.	AU-C 700.14-15								
6.3.f	The terminology used in the financial statements, including the title of each financial statement, is appropriate.	AU-C 700.14-15								
6.4	In evaluating whether the financial statements achieve fair presentation, the auditor should also consider the following:	AU-C 700.16								
6.4.a	The overall presentation, structure, and content of the financial statements.	AU-C 700.16								
6.4.b	Whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.	AU-C 700.16								
6.5	The auditor should evaluate whether the financial statements adequately refer to or describe the applicable financial reporting framework.	AU-C 700.17								
6.6	The auditor should either:	AU-C 700.18-.19								
6.7.a	Express an unmodified opinion when the auditor concludes that the financial statements are presented fairly, in all material respects, in accordance with the applicable financial reporting framework.	AU-C 700.18-.19								
6.7.b	Modify the opinion in the auditor's report, if the auditor (1) concludes that, based on the audit evidence obtained, the financial statements as a whole are materially misstated or (2) is unable to obtain sufficient appropriate audit evidence to conclude that the financial statements as a whole are free from material misstatement.	AU-C 700.18-.19								

6.8	If the auditor concludes that the financial statements do not achieve fair presentation, the auditor should discuss the matter with management and, depending on how the matter is resolved, should determine whether it is necessary to modify the opinion in the auditor's report.	AU-C 700.20								
6.9	For audits conducted in accordance with generally accepted auditing standards (GAAS), the auditor's report should be in writing and:	AU-C 700.21-.43								
6.9.a	Have a title that clearly indicates that it is the report of an independent auditor.	AU-C 700.23								
6.9.b	Be addressed, as appropriate, based on the circumstances of the engagement.	AU-C 700.24								
6.9.c	Include a section with the heading "Opinion" that is the first section of the auditor's report and:	AU-C 700.25								
6.9.c.i	Identifies the entity whose financial statements have been audited.	AU-C 700.25								
6.9.c.ii	States that the financial statements have been audited.	AU-C 700.25								
6.9.c.iii	Identifies the title of each statement that the financial statements comprise.	AU-C 700.25								
6.9.c.iv	Refers to the notes.	AU-C 700.25								
6.9.c.v	Specifies the dates of or periods covered by each financial statement that the financial statements comprise.	AU-C 700.25								
6.9.c.vi	Includes the auditor's opinion that states that (when expressing an unmodified opinion), in the auditor's opinion, the accompanying financial statements present fairly, in all material respects, [...] in accordance with [the applicable financial reporting framework], and identifies the applicable financial reporting framework and its origin.	AU-C 700.26-.27								
6.9.d	Include a section, directly following the "Opinion" section, with the heading "Basis for Opinion," that does the following:	AU-C 700.28								
6.9.d.i	States that the audit was conducted in accordance with generally accepted auditing standards and identifies the United States of America as the country of origin of those standards.	AU-C 700.28								
6.9.d.ii	Refers to the section of the auditor's report that describes the auditor's responsibilities under GAAS.	AU-C 700.28								
6.9.d.iii	Includes a statement that the auditor is required to be independent of the entity and to meet the auditor's other ethical responsibilities, in accordance with the relevant ethical requirements relating to the audit.	AU-C 700.28								
6.9.d.iv	States whether the auditor believes that the audit evidence the auditor has obtained is sufficient and appropriate to provide a basis for the auditor's opinion.	AU-C 700.28								
6.9.e	When applicable, the auditor should include a section with the heading "Substantial Doubt About the Entity's Ability to Continue as a Going Concern" in accordance with AU-C 570.24.	AU-C 700.29								
6.9.f	When the auditor is engaged to communicate key audit matters, the auditor should include a section with the heading "Key Audit Matters" in accordance with AU-C 701.	AU-C 700.30								
6.9.g	Include a section with the heading "Responsibilities of Management for the Financial Statements" that describes management's responsibility for the following (Note: this section should not reference a separate statement by management about such responsibilities, even if such a statement is included in a document containing the auditor's report):	AU-C 700.31-.33								
6.9.g.i	The preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.	AU-C 700.32								
6.9.g.ii	When required by the applicable financial reporting framework, the evaluation of whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern [for the time period set by the applicable financial reporting framework, as applicable].	AU-C 700.32								
6.9.h	Include a section with the heading "Auditor's Responsibilities for the Audit of Financial Statements" that does the following:	AU-C 700.34-.35								

6.9.h.i	States that the objectives of the auditor are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes the auditor's opinion.	AU-C 700.35								
6.9.h.ii	States that reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists.	AU-C 700.35								
6.i.h.iii	States that the risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.	AU-C 700.35								
6.9.h.iv	States that misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.	AU-C 700.35								
6.9.i	The "Auditor's Responsibilities for the Audit of the Financial Statements" section of the auditor's report should further describe an audit by stating that, in performing an audit in accordance with GAAS, the auditor's responsibilities are to:	AU-C 700.36								
6.9.i.i	Exercise professional judgment and maintain professional skepticism throughout the audit.	AU-C 700.36								
6.9.i.ii	Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.	AU-C 700.36								
6.9.i.iii	Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, no such opinion is expressed. In circumstances in which the auditor also has a responsibility to express an opinion on the effectiveness of internal control in conjunction with the audit of the financial statements, the auditor should omit the following: "but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly,	AU-C 700.36								
6.9.i.iv	Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.	AU-C 700.36								
6.9.i.v	Conclude whether, in the auditor's judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.	AU-C 700.36								
6.9.j	The "Auditor's Responsibilities for the Audit of the Financial Statements" section of the auditor's report should also state that the auditor is required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that the auditor identified during the audit.	AU-C 700.37								
6.9.k	When applicable, the auditor should report in accordance with AU-C 720, <i>The Auditor's Responsibilities Relating to Other Information Included in Annual Reports</i> .	AU-C 700.38								
6.9.l	If the auditor addresses other reporting responsibilities in the auditor's report on the financial statements that are in addition to the auditor's responsibility under GAAS, these other reporting responsibilities should be addressed in a separate section in the auditor's report with the heading "Report on Other Legal and Regulatory Requirements" or another heading that is appropriate to the content of the section.	AU-C 700.39								
6.9.m	If the auditor's report contains a separate section that addresses other reporting responsibilities, the requirements of paragraphs AU-C 700.22-.37 should be included under a section with the heading "Report on the Audit of the Financial Statements." The "Report on Other Legal and Regulatory Requirements" should follow the "Report on the Audit of the Financial Statements."	AU-C 700.40								

6.9.n	Include the manual or printed signature of the audit organization. (Note: This section would not preclude a governmental auditor from including the personal name and signature of the auditor in the auditor's report when, in certain situations, the governmental auditor is required by law or regulation or chooses to do so.)	AU-C 700.41								
6.9.o	Name the city and state where the auditor's report is issued.	AU-C 700.42								
6.9.p	Be dated no earlier than the date on which the auditor has obtained sufficient appropriate audit evidence on which to base the auditor's opinion on the financial statements, including evidence of the following:	AU-C 700.43								
6.9.p.i	All the statements and disclosures that the financial statements comprise have been prepared.	AU-C 700.43								
6.9.p.ii	Management has asserted that it has taken responsibility for those financial statements.	AU-C 700.43								
6.10	In addition to referring generally accepted auditing standards, an auditor may indicate that the audit was also conducted in accordance with another set of auditing standards (for example, Government Auditing Standards). When referring to another set of auditing standards, the auditor should:	AU-C 700.44-.45								
6.10.a	Not refer to having conducted an audit in accordance with another set of auditing standards in addition to GAAS unless the audit was conducted in accordance with both sets of standards in their entirety.	AU-C 700.44								
6.10.b	Identify the other set of auditing standards, as well as its origin.	AU-C 700.45								
6.11	Comparative financial statements may be required by the applicable financial reporting framework, or management may elect to provide such information. When comparative financial statements are presented, the auditor's report should refer to each period for which financial statements are presented and on which an audit opinion is expressed.	AU-C 700.47								
6.12	When expressing an opinion on all periods presented, a continuing auditor should:	AU-C 700.48								
6.12.a	Update the report on the financial statements of one or more prior periods presented on a comparative basis with those of the current period.	AU-C 700.48								
6.12.b	Date the report on the comparative financial statements no earlier than the date on which the auditor has obtained sufficient appropriate audit evidence on which to support the opinion for the most recent audit.	AU-C 700.48								
6.13	If comparative information is presented but not covered by the auditor's opinion, the auditor should clearly indicate in the auditor's report the character of the auditor's work, if any, and the degree of responsibility the auditor is taking.	AU-C 700.49								
6.14	If comparative information is presented and the entity requests the auditor to express an opinion on all periods presented, the auditor should consider whether the information included for the prior period(s) contains sufficient detail to constitute a fair presentation in accordance with the applicable financial reporting framework.	AU-C 700.50								
6.15	If comparative financial statements or comparative information is presented for the prior periods, the auditor should determine whether the comparative financial statements or comparative information has been presented in accordance with the relevant requirements, if any, of the applicable financial reporting framework.	AU-C 700.52								
6.16	If comparative financial statements or comparative information is presented for the prior periods, the auditor should evaluate whether:	AU-C 700.53								
6.16.a	The comparative financial statements or comparative information agree with the amounts and other disclosures presented in the prior period or, when appropriate, has been restated for the correction of a material misstatement or adjusted for the retrospective application of an accounting principle.	AU-C 700.53								
6.16.b	The accounting policies reflected in the comparative financial statements or comparative information are consistent with those applied in the current period, or if there have been changes in accounting policies, whether those changes have been properly accounted for and adequately presented and disclosed.	AU-C 700.53								
6.17	If the auditor becomes aware of a possible material misstatement in the comparative financial statements or comparative information while performing the current period audit, the auditor should:	AU-C 700.54								

6.17.a	Perform such additional audit procedures as are necessary in the circumstances to obtain sufficient appropriate audit evidence to determine whether a material misstatement exists.	AU-C 700.54							
6.17.b	Determine that the comparative financial statements or comparative information agree with the restated financial statements (in those cases where the prior period financial statements are restated).	AU-C 700.54							
6.18	The auditor should request written representations for all periods referred to in the auditor's opinion, including a specific written representation regarding any restatement made to correct a material misstatement in a prior period that affects the comparative financial statements.	AU-C 700.55							
6.19	When reporting on prior period financial statements in connection with the current period's audit, if the auditor's opinion on such prior period financial statements differs from the opinion the auditor previously expressed, the auditor should disclose the following matters in an emphasis-of-matter or other-matter paragraph:	AU-C 700.56							
6.19.a	The date of the auditor's previous report.	AU-C 700.56							
6.19.b	The type of opinion previously expressed.	AU-C 700.56							
6.19.c	The substantive reasons for the different opinion.	AU-C 700.56							
6.19.d	That the auditor's opinion on the amended financial statements is different from the auditor's previous opinion.	AU-C 700.56							
6.20	If the financial statements of the prior period were audited by a predecessor auditor, and the predecessor auditor's report on the prior period's financial statements is not reissued, in addition to expressing an opinion on the current period's financial statements, the auditor should state the following in an other-matter paragraph:	AU-C 700.57							
6.20.a	That the financial statements of the prior period were audited by a predecessor auditor.	AU-C 700.57							
6.20.b	The type of opinion expressed by the predecessor auditor and, if the opinion was modified, the reasons therefore.	AU-C 700.57							
6.20.c	The nature of an emphasis-of-matter paragraph, other-matter paragraph, or a going concern section included in the predecessor auditor's report, if any.	AU-C 700.57							
6.20.d	The date of that report.	AU-C 700.57							
6.21	If the auditor concludes that a material misstatement exists that affects the prior period financial statements on which the predecessor auditor had previously reported without modification, the auditor should follow the communication requirements in AU-C 510. If the prior period financial statements are restated, and the predecessor auditor agrees to issue a new auditor's report on the restated financial statements of the prior period, the auditor should express an opinion only on the current period.	AU-C 700.58							
6.22	When current period financial statements are audited and presented in comparative form with financial statements for the prior period for which a compilation or review was performed, and the report on the prior period is not reissued, the auditor should include an other-matter paragraph in the current period auditor's report that includes the following with respect to the prior period:	AU-C 700.59							
6.22.a	The service performed in the prior period.	AU-C 700.59							
6.22.b	The date of the report on that service.	AU-C 700.59							
6.22.c	A description of any material modifications noted in that report.	AU-C 700.59							
6.22.d	For a review engagement, a statement that the service was substantially less in scope than an audit and does not provide the basis for the expression of an opinion on the financial statements as a whole.	AU-C 700.59							
6.22.e	For a compilation engagement, a statement that no opinion or other form of assurance is expressed on the financial statements.	AU-C 700.59							
6.23	If the prior period financial statements were not audited, reviewed, or compiled, the financial statements should be clearly marked to indicate their status, and the auditor's report should include an other-matter paragraph to indicate that the auditor has not audited, reviewed, or compiled the prior period financial statements and that the auditor assumes no responsibility for them.	AU-C 700.60							
6.24	Information that is not required by the applicable financial reporting framework but is nevertheless presented as part of the basic financial statements should be covered by the auditor's opinion if it cannot be clearly differentiated.	AU-C 700.61							

**Communicating Key Audit Matters in the Independent Auditor's Report**

**Note: This section is applicable only if the auditor is engaged to communicate key audit matters. If the auditor**

6.24.a	The auditor should determine, from the matters communicated with those charged with governance, those matters that required significant auditor attention in performing the audit. In making this determination, the auditor should take into account the following:	AU-C 701.08								
6.24.a.1	Areas of higher assessed risk of material misstatement, or significant risks identified in accordance with AU-C 315, Understanding the Entity and its Environment and Assessing the Risks of Material Misstatement.	AU-C 701.08								
6.24.a.2	Significant auditor judgments relating to areas in the financial statements that involved significant management judgment, including accounting estimates that have been identified as having high estimation uncertainty.	AU-C 701.08								
6.24.a.3	The effect on the audit of significant events or transactions that occurred during the period.	AU-C 701.08								
6.24.b	The auditor should determine which of the matters determined in accordance with AU-C 701.08 were of most significance in the audit of the financial statements of the current period and therefore are the key audit matters.	AU-C 701.09								
6.24.c	In communicating key audit matters, the auditor should describe each key audit matter, using an appropriate subheading, in a separate section of the auditor's report under the heading "Key Audit Matters," unless the circumstances in AU-C 701.13-.14 apply. The introductory language in this section of the auditor's report should state the following:	AU-C 701.10								
6.24c.1	Key audit matters are those matters that were communicated with those charged with governance and, in the auditor's professional judgment, were of most significance in the audit of the financial statements of the current period.	AU-C 701.10								
6.24c.2	These matters were addressed in the context of the audit of the financial statements as a whole, and in forming the auditor's opinion thereon, and the auditor does not provide a separate opinion on these matters.	AU-C 701.10								
6.24d	The auditor should not communicate a matter in the "Key Audit Matters" section of the auditor's report when the auditor would be required to modify the opinion in accordance with AU-C 705 as a result of the matter.	AU-C 701.11								
6.24e	The description of each key audit matter in the "Key Audit Matters" section of the auditor's report should include a reference to the related disclosures, if any, in the financial statements and should address the following:	AU-C 701.12								
6.24e.1	Why the matter was considered to be one of most significance in the audit and therefore determined to be a key audit matter.	AU-C 701.12								
6.24e.2	How the matter was addressed in the audit.	AU-C 701.12								
6.24f	The auditor should describe each key audit matter in the auditor's report unless either of the following applies:	AU-C 701.13								
6.24f.1	Law or regulation precludes disclosure about the matter.	AU-C 701.13								
6.24f.2	In extremely rare circumstances, the auditor determines that the matter should not be communicated in the auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication. This does not apply if information about the matter is available outside the entity.	AU-C 701.13								
6.24g	Matters giving rise to a qualified opinion in accordance with AU-C 705, or when substantial doubt exists about an entity's ability to continue as a going concern for a reasonable period of time in accordance with AU-C 570, are by their nature key audit matters. However, these matters should not be described in the "Key Audit Matters" section of the auditor's report, and the requirements in AU-C 701.12-.13 do not apply. Rather, the auditor should do the following:	AU-C 701.14								
6.24g.1	Report on these matters in accordance with the applicable AU-C sections.	AU-C 701.14								
6.24g.2	Include a reference to the "Basis for Qualified Opinion" or "Going Concern" section in the "Key Audit Matters" section.	AU-C 701.14								
6.24h	If the auditor determines, depending on the facts and circumstances of the entity and the audit, that there are no key audit matters to communicate or that the only key audit matters communicated are those matters addressed by AU-C 701.14, the auditor should include a statement to this effect in a separate section of the auditor's report under the heading "Key Audit Matters."	AU-C 701.15								
6.24i	The auditor should communicate with those charged with governance those matters the auditor has determined to be the key audit matters, or if applicable, depending on the facts and circumstances of the entity and the audit, the auditor's determination that there are no key audit matters to communicate in the auditor's report.	AU-C 701.16								

6.24j	The auditor should include the following in the audit documentation:	AU-C 701.17								
6.24j.1	The matters that required significant auditor attention as determined in accordance with AU-C 701.08, and the rationale for the auditor's determination about whether or not each of the matters is a key audit matter in accordance with AU-C 701.09.	AU-C 701.17								
6.24j.2	When applicable, the rationale for the auditor's determination that there are no key audit matters to communicate in the auditor's report or that the only key audit matters to communicate are those matters addressed by AU-C 701.14	AU-C 701.17								
6.24j.3	When applicable, the rationale for the auditor's determination not to communicate in the auditor's report a matter determined to be a key audit matter.	AU-C 701.17								
<b>Modifications to the Opinion in the Independent Auditor's Report</b>										
6.25	The auditor should modify the opinion in the auditor's report in either of the following circumstances:	AU-C 705.07								
6.25.a	The auditor concludes that, based on the audit evidence obtained, the financial statements as a whole are materially misstated.	AU-C 705.07								
6.25.b	The auditor is unable to obtain sufficient appropriate audit evidence to conclude that the financial statements as a whole are free from material misstatement.	AU-C 705.07								
6.26	The auditor should express a qualified opinion if either of the following circumstances exist:	AU-C 705.08								
6.26.a	The auditor, having obtained sufficient appropriate audit evidence, concludes that misstatements, individually or in the aggregate, are material but not pervasive to the financial statements.	AU-C 705.08								
6.26.b	The auditor is unable to obtain sufficient appropriate audit evidence on which to base the opinion, but the auditor concludes that the possible effects on the financial statements of undetected misstatements, if any, could be material but not pervasive.	AU-C 705.08								
6.27	The auditor should express an adverse opinion when the auditor, having obtained sufficient appropriate audit evidence, concludes that misstatements, individually or in the aggregate, are both material and pervasive to the financial statements.	AU-C 705.09								
6.28	The auditor should disclaim an opinion when the auditor is unable to obtain sufficient appropriate audit evidence on which to base the opinion, and the auditor concludes that the possible effects on the financial statements of undetected misstatements, if any, could be both material and pervasive.	AU-C 705.10								
6.29	If, after accepting an engagement, the auditor becomes aware that management has imposed a limitation on the scope of the audit that the auditor considers likely to result in the need to express a qualified opinion or to disclaim an opinion on the financial statements, the auditor should:	AU-C 705.11- .12								
6.29.a	Request that management remove the limitation.	AU-C 705.11								
6.29.b	Communicate the matter to those charged with governance and determine whether it is possible to perform alternative procedures to obtain sufficient appropriate audit evidence, if management refuses to remove the limitation.	AU-C 705.12								
6.29.c	If the auditor is unable to obtain sufficient appropriate audit evidence, the auditor should determine the implications as follows:	AU-C 705.13								
6.29.d	If the auditor concludes that the possible effects on the financial statements of undetected misstatements, if any, could be material but not pervasive, the auditor should qualify the opinion.	AU-C 705.13								
6.29.e	If the auditor concludes that the possible effects on the financial statements of undetected misstatements, if any, could be both material and pervasive so that a qualification of the opinion would be inadequate to communicate the severity of the situation, the auditor should disclaim an opinion on the financial statements or withdraw from the audit, when practicable.	AU-C 705.13								
6.29.f	Before withdrawing, the auditor should communicate to those charged with governance any matters regarding misstatements identified during the audit that would have given rise to a modification of the opinion.	AU-C 705.14								

6.30	When the auditor considers it necessary to express an adverse opinion or disclaim an opinion on the financial statements as a whole, the auditor's report should not also include an unmodified opinion with respect to the same financial reporting framework on a single financial statement or one or more specific elements, accounts, or items of a financial statement. (Note: Because the auditor of a state or local government entity expresses an opinion or disclaims an opinion for each opinion unit, an auditor's report in these circumstances may include an unmodified opinion with respect to one or more opinion units and a modified opinion for one or more other opinion units.)	AU-C 705.15								
6.31	When the auditor is not independent but is required by law or regulation to report on the financial statements, the auditor should disclaim an opinion and should specifically state that the auditor is not independent. (Note: A government auditor may determine that the lack of independence affects only one or more, but not all, of the governmental entity's opinion units, and in such circumstances, the auditor may disclaim an opinion on the affected opinion units while expressing unmodified, qualified, or adverse opinions on other opinion units.)	AU-C 705.16								
6.32	When the auditor modifies the audit opinion, the auditor should use a heading "Qualified Opinion," "Adverse Opinion," or "Disclaimer of Opinion," as appropriate, for the "Opinion" section.	AU-C 705.17								
6.33	When the auditor expresses a qualified opinion due to a material misstatement in the financial statements, the auditor should state that, in the auditor's opinion, except for the effects of the matters described in the "Basis for Qualified Opinion" section of the auditor's report, the accompanying financial statements present fairly, in all material respects, [...] in accordance with [the applicable financial reporting framework]. (Note: when the modification arises from an inability to obtain sufficient appropriate audit evidence, the auditor should use the corresponding phrase "except for the possible effects of the matters..." for the modified opinion.)	AU-C 705.18								
6.34	When the auditor expresses an adverse opinion, the auditor should state that, in the auditor's opinion, because of the significance of the matters described in the "Basis for Adverse Opinion" section of the auditor's report, the accompanying financial statements do not present fairly [...] in accordance with [the applicable financial reporting framework].	AU-C 705.19								
6.35	When the auditor disclaims an opinion due to an inability to obtain sufficient appropriate audit evidence, the auditor should state that the auditor does not express an opinion on the accompanying financial statements; state that, because of the significance of the matters described in the "Basis for Disclaimer of Opinion" section of the auditor's report, the auditor has not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements; and amend the statement required by AU-C 700.25b, which indicates that the financial statements have been audited, to state that the auditor was engaged to audit the financial statements.	AU-C 705.20								
6.36	When the auditor modifies the opinion on the financial statements, the auditor should, in addition to including specific elements required by AU-C 700, do the following:	AU-C 705.21								
6.36.a	Amend the heading "Basis for Opinion" required by AU-C 700.28 to "Basis for Qualified Opinion," "Basis for Adverse Opinion," or "Basis for Disclaimer of Opinion," as appropriate.	AU-C 705.21								
6.36.b	Within this section of the auditor's report, include a description of the matter giving rise to the modification.	AU-C 705.21								
6.37	If there is a material misstatement of the financial statements that relates to specific amounts in the financial statements (including quantitative disclosures), the auditor should include in the "Basis for Opinion" section a description and quantification of the financial effects of the misstatement, unless impracticable. If it is not practicable to quantify the financial effects, the auditor should state that in the "Basis for Opinion" section.	AU-C 705.22								
6.38	If there is a material misstatement of the financial statements that relates to qualitative disclosures, the auditor should include an explanation of how the disclosures are misstated in the "Basis for Opinion" section.	AU-C 705.23								
6.39	If there is a material misstatement of the financial statements that relates to the omission of information required to be presented or disclosed, the auditor should:	AU-C 705.24								

6.39.a	Discuss the omission of such information with those charged with governance.	AU-C 705.24							
6.39.b	Describe in the "Basis for Opinion" section the nature of the omitted information.	AU-C 705.24							
6.39.c	Include the omitted information, provided that it is practicable to do so and the auditor has obtained sufficient appropriate audit evidence about the omitted information.	AU-C 705.24							
6.39.d	If the modification results from an inability to obtain sufficient appropriate audit evidence, the auditor should include the reasons for that inability in the Basis for Opinion" section.	AU-C 705.25							
6.40	When the auditor expresses a qualified or an adverse opinion, the auditor should amend the statement required by AU-C 700.28d about whether the audit evidence obtained is sufficient and appropriate to provide a basis for the auditor's opinion, to include the word "qualified" or "adverse" as appropriate.	AU-C 705.26							
6.41	When the auditor disclaims an opinion on the financial statements, the auditor's report should not include a reference to the section of the auditor's report where the auditor's responsibilities are described, or a statement about whether the audit evidence obtained is sufficient and appropriate to provide a basis for the auditor's opinion.	AU-C 705.27							
6.42	Even if the auditor has expressed an adverse opinion or disclaimed an opinion on the financial statements, the auditor should describe the reasons for any other matters of which the auditor is aware that would have required a modification to the opinion, and the effects thereof, in the "Basis for Opinion" section.	AU-C 705.28							
6.43	When the auditor disclaims an opinion on the financial statements due to an inability to obtain sufficient appropriate audit evidence, the auditor should amend the description of the auditor's responsibilities required by AU-C 700.35-.37 to include the following:	AU-C 705.29							
6.44	A statement that the auditor's responsibility is to conduct an audit of the entity's financial statements in accordance with auditing standards generally accepted in the United States of America and to issue an auditor's report.	AU-C 705.29							
6.44.a	A statement that, however, because of the matters described in the "Basis for Disclaimer of Opinion" section of the auditor's report, the auditor was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements.	AU-C 705.29							
6.44.b	A statement that the auditor is required to be independent and to meet other ethical responsibilities, in accordance with the relevant ethical requirements relating to the audit.	AU-C 705.29							
6.45	When the auditor expresses an adverse opinion or disclaims an opinion on the financial statements, the auditor's report should not include a "Key Audit Matters" section. Also, when the auditor disclaims an opinion on the financial statements, the auditor's report should not include an "Other Information" section.	AU-C 705.30							
6.46	When the auditor expects to modify the opinion in the auditor's report, the auditor should communicate with those charged with governance the circumstances that led to the expected modification and the wording of the modification.	AU-C 705.31							
6.47	For entities with more than one opinion unit, certain situations will result in the auditor expressing an adverse opinion or disclaimer of opinion on the financial statements taken as a whole:	ASLG 17.10							
6.47.a	An adverse opinion on the financial statements taken as a whole when required government-wide or fund financial statements are not presented.	ASLG 17.10							
6.47.b	An adverse opinion on financial statements taken as a whole when adverse opinions are appropriate for both the governmental activities and business-type activities opinion units (or for only the governmental activities opinion unit if that is the only required presentation for the primary government in the reporting entity's government-wide financial statements).	ASLG 17.10							
6.47.c	A disclaimer of opinion on the financial statements taken as a whole when disclaimers of opinion are appropriate for both the governmental activities and business-type activities opinion units (or for only the governmental activities opinion unit if that is the only required presentation for the primary government in the reporting entity's government-wide financial statements).	ASLG 17.10							

**Emphasis-of-Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report**

6.48	If the auditor considers it necessary to draw users' attention to a matter appropriately presented or disclosed in the financial statements that, in the auditor's professional judgment, is of such importance that it is fundamental to users' understanding of the financial statements, the auditor should include an emphasis-of-matter paragraph in the auditor's report, provided that the auditor would not be required to modify the opinion in accordance with AU-C 705 as a result of the matter, and when AU-C 701 applies, the matter has not been determined to be a key audit matter to be communicated in the auditor's report.	AU-C 706.08								
6.49	When the auditor includes an emphasis-of-matter paragraph in the auditor's report, the auditor should:	AU-C 706.09								
6.49.a	Include the paragraph within a separate section of the auditor's report with an appropriate heading. When key audit matters are communicated in the auditor's report, the heading should include the term "Emphasis of Matter."	AU-C 706.09								
6.49.b	Include in the paragraph a clear reference to the matter being emphasized and to where relevant disclosures that fully describe the matter can be found in the financial statements. The paragraph should refer only to information presented or disclosed in the financial statements.	AU-C 706.09								
6.49.c	Indicate that the auditor's opinion is not modified with respect to the matter emphasized.	AU-C 706.09								
6.50	If the auditor considers it necessary to communicate a matter other than those that are presented or disclosed in the financial statements that, in the auditor's professional judgment, is relevant to users' understanding of the audit, the auditor's responsibilities, or the auditor's report, the auditor should include an other-matter paragraph in the auditor's report, provided that, when AU-C 701 applies, the matter has not been determined to be a key audit matter to be communicated in the auditor's report.	AU-C 706.10								
6.51	When the auditor includes an other-matter paragraph in the auditor's report, the auditor should include the paragraph within a separate section with the heading "Other Matter" or other appropriate heading.	AU-C 706.11								
6.52	If the auditor expects to include an emphasis-of-matter or other-matter paragraph in the auditor's report, the auditor should communicate with those charged with governance regarding this expectation and the wording of the paragraph.	AU-C 706.12								
<b>Consistency of Financial Statements</b>										
6.53	The auditor should evaluate whether the comparability of the financial statements between periods has been materially affected by a change in accounting principle or by adjustments to correct a material misstatement in previously issued financial statements.	AU-C 708.05								
6.54	In evaluating consistency, the auditor should:	AU-C 708.06								
6.54.a	When the auditor's opinion covers only the current period, evaluate whether the current-period financial statements are consistent with those of the preceding period, regardless of whether financial statements for the preceding period are presented.	AU-C 708.06								
6.54.b	When the auditor's opinion covers two or more periods, evaluate consistency between such periods and the consistency of the earliest period covered by the auditor's opinion with the period prior thereto, if such prior period is presented with the financial statements being reported upon.	AU-C 708.06								
6.54.c	Evaluate whether the financial statements for the periods being reported upon are consistent with previously issued financial statements for the relevant periods.	AU-C 708.06								
6.55	The auditor should evaluate a change in accounting principle to determine whether:	AU-C 708.07								
6.55.a	The newly adopted accounting principle is in accordance with the applicable financial reporting framework.	AU-C 708.07								
6.55.b	The method of accounting for the effect of the change is in accordance with the applicable financial reporting framework.	AU-C 708.07								
6.55.c	The disclosures related to the accounting change are appropriate and adequate.	AU-C 708.07								
6.55.d	The entity has justified that the alternative accounting principle is preferable.	AU-C 708.07								

6.56	If the auditor concludes that the criteria in AU-C 708.07 have been met, and the change in accounting principle has a material effect on the financial statements, the auditor should include an emphasis-of-matter paragraph in the auditor's report that describes the change in accounting principle and provides a reference to the entity's disclosure. (Note: if the criteria are not met, the auditor should evaluate whether the accounting change results in a material misstatement and whether the auditor should modify the opinion accordingly.)	AU-C 708.08								
6.57	The auditor should include an emphasis-of-matter paragraph relating to a change in accounting principle in reports on financial statements in the period of the change, and in subsequent periods, until the new accounting principle is applied in all periods presented. (Note: if the change in accounting principle is accounted for by retrospective application to the financial statements of all prior periods presented, the emphasis-of-matter paragraph is needed only in the period of such change.)	AU-C 708.09								
6.58	The auditor should evaluate and report on a change in accounting estimate that is inseparable from the effect of a related change in accounting principle like other changes in accounting principle.	AU-C 708.10								
6.59	When a change in the reporting entity results in financial statements that, in effect, are those of a different reporting entity, the auditor should include an emphasis-of-matter paragraph in the auditor's report that describes the change in the reporting entity and provides a reference to the entity's disclosure, unless the change in reporting entity results from a transaction or event.	AU-C 708.11								
6.60	If an entity's financial statements contain an investment accounted for by the equity method, the auditor's evaluation of consistency should include consideration of the investee. If the investee makes a change in accounting principle that is material to the investing entity's financial statements, the auditor should include an emphasis-of-matter paragraph in the auditor's report to describe the change in accounting principle.	AU-C 708.12								
6.61	The auditor should include an emphasis-of-matter paragraph in the auditor's report when there are adjustments to correct a material misstatement in previously issued financial statements. The auditor should include this type of emphasis-of-matter paragraph in the auditor's report when the related financial statements are restated to correct the prior material misstatement.	AU-C 708.13								
6.62	The emphasis-of-matter paragraph should include the following:	AU-C 708.14								
6.62.a	A statement that the previously issued financial statements have been restated for the correction of a material misstatement in the respective period.	AU-C 708.14								
6.62.b	A reference to the entity's disclosure of the correction of the material misstatement.	AU-C 708.14								
6.63	If the financial statement disclosures relating to the restatement to correct a material misstatement in previously issued financial statements are not adequate, the auditor should address the inadequacy of disclosure (See AU-C 705).	AU-C 708.15								
6.64	The auditor should evaluate a material change in financial statement classification and the related disclosure to determine whether such a change is also either a change in accounting principle or an adjustment to correct a material misstatement in previously issued financial statements.	AU-C 708.16								
<b>The Auditor's Responsibilities Relating to Other Information Included in Annual Reports</b>										
6.65	The auditor should do the following:	AU-C 720.13								
6.65.a	Through discussion with management, determine and obtain management's written acknowledgment regarding which document or documents comprise the annual report and the entity's planned manner and timing of the issuance of such documents.	AU-C 720.13								
6.65.b	Make appropriate arrangements with management to obtain in a timely manner and, if possible, prior to the date of the auditor's report, the final version of the document or documents comprising the annual report.	AU-C 720.13								
6.65.c	When some or all the documents determined in (a) will not be available until after the date of the auditor's report on the financial statements, request management to provide a written representation that the final version of the documents will be provided to the auditor when available, and prior to the document's issuance by the entity, such that the auditor can complete the procedures required by this section.	AU-C 720.13								

6.66	If the auditor becomes aware that the entity did not provide the auditor with the final version of documents determined in accordance with AU-C 720.13a to be part of the annual report prior to the issuance of those documents to third parties, the auditor should take appropriate action.	AU-C 720.14								
6.67	The auditor should communicate with those charged with governance the auditor's responsibility with respect to other information, the procedures performed related to the other information, and the results.	AU-C 720.15								
6.68	The auditor should read the other information and consider whether a material inconsistency exists between the other information and the financial statements. As the basis for this consideration, to evaluate their consistency, the auditor should compare selected amounts or other items in the other information (that are intended to be the same as, to summarize, or to provide greater detail about the amounts or other items in the financial statements) with such amounts or other items in the financial statements.	AU-C 720.16								
6.69	While reading the other information in accordance with paragraph .16, the auditor should remain alert for indications that:	AU-C 720.17								
6.69.a	A material inconsistency exists between the other information and the auditor's knowledge obtained in the audit.	AU-C 720.17								
6.69.b	A material misstatement of fact exists or the other information is otherwise misleading.	AU-C 720.17								
6.70	If the auditor identifies that a material inconsistency appears to exist (or becomes aware that the other information appears to be materially misstated), the auditor should discuss the matter with management and, if necessary, perform other procedures to conclude the following:	AU-C 720.19								
6.70.a	Whether a material misstatement of the other information exists.	AU-C 720.19								
6.70.b	Whether a material misstatement of the financial statements exists.	AU-C 720.19								
6.70.c	Whether the auditor's understanding of the entity and its environment needs to be updated.	AU-C 720.19								
6.71	If the auditor concludes that a material misstatement of the other information exists, the auditor should request management to correct the other information and	AU-C 720.20								
6.71.a	If management agrees to make the correction, determine that the correction has been made.	AU-C 720.20								
6.71.b	If management refuses to make the correction, communicate the matter to those charged with governance and request that the correction be made.	AU-C 720.20								
6.72	If the auditor concludes that a material misstatement exists in other information obtained prior to the date of the auditor's report, and the other information is not corrected after communicating with those charged with governance, the auditor should consider the implications for the auditor's report and communicate to those charged with governance about how the auditor plans to address the material misstatement in the auditor's report; withhold the auditor's report; or withdraw from the engagement, when withdrawal is possible under applicable law or regulation.	AU-C 720.21								
6.73	If the auditor concludes that a material misstatement exists in other information obtained after the date of the auditor's report, the auditor should do the following:	AU-C 720.22								
6.73.a	If the other information is corrected, perform the procedures necessary in the circumstances.	AU-C 720.22								
6.73.b	If the other information is not corrected after communicating with those charged with governance, take appropriate action considering the auditor's legal rights and obligations to seek to have the uncorrected material misstatement appropriately brought to the attention of anyone in receipt of the financial statements and the auditor's report.	AU-C 720.22								
6.74	If the auditor concludes that a material misstatement in the financial statements exists or the auditor's understanding of the entity and its environment needs to be updated, the auditor should respond appropriately in accordance with other relevant AU-C sections.	AU-C 720.23								

6.75	At the date of the auditor's report, when the auditor has obtained all the other information, the composition of which was determined through discussion with management and for which the auditor obtained management's written acknowledgment (pursuant to AU-C 720.13a), the auditor should include a separate section in the auditor's report on the financial statements with the heading "Other Information" or other appropriate heading. The "Other Information" section in the auditor's report on the financial statements should include the following:	AU-C 720.24								
6.75.a	A statement that management is responsible for the other information	AU-C 720.24								
6.75.b	An identification of other information and a statement that the other information does not include the financial statements and the auditor's report thereon.	AU-C 720.24								
6.75.c	A statement that the auditor's opinion on the financial statements does not cover the other information and that the auditor does not express an opinion or any form of assurance thereon.	AU-C 720.24								
6.75.d	A statement that, in connection with the audit of the financial statements, the auditor is responsible to read the other information and consider whether a material inconsistency exists between the other information and the financial statements or the other information otherwise appears to be materially <i>misstated</i> .	AU-C 720.24								
6.75.e	A statement that, if, based on the work performed, the auditor concludes that an uncorrected material misstatement of the other information exists, the auditor is required to describe it in the auditor's report.	AU-C 720.24								
6.75.f	If the auditor has concluded that an uncorrected material misstatement of the other information exists, a statement that the auditor has concluded that an uncorrected material misstatement of the other information exists and a description of it in the auditor's report.	AU-C 720.24								
6.76	When the auditor expresses a qualified or adverse opinion in accordance with AU-C 705, the auditor should consider the implications of the matter giving rise to the modification of opinion for the statement required in AU-C 720.24f.	AU-C 720.25								
6.77	The auditor should include the following in the audit documentation:	AU-C 720.26								
6.77.a	The procedures performed under this section.	AU-C 720.26								
6.77.b	The final version of the other information on which the auditor has performed the work required under this section.	AU-C 720.26								
<b>Supplementary Information in Relation to the Financial Statements as a Whole</b>										
6.78	In order to opine on whether supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole the auditor should determine that all of the following conditions are met:	AU-C 725.05								
6.78.a	The supplementary information was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements.	AU-C 725.05								
6.78.b	The supplementary information relates to the same period as the financial statements.	AU-C 725.05								
6.78.c	The auditor issued an audit report on the financial statements that contained neither an adverse opinion nor a disclaimer of opinion.	AU-C 725.05								
6.78.d	The supplementary information will accompany the entity's audited financial statements, or such audited financial statements will be made readily available by the entity.	AU-C 725.05								
6.79	The auditor should obtain the agreement of management that it acknowledges and understands its responsibility:	AU-C 725.06								
6.79.a	For the preparation of the supplementary information in accordance with the applicable criteria.	AU-C 725.06								
6.79.b	To provide the auditor with written representations.	AU-C 725.06								
6.79.c	To include the auditor's report on the supplementary information in any document that contains the supplementary information and that indicates that the auditor has reported on such supplementary information.	AU-C 725.06								
6.79.d	To present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.	AU-C 725.06								

6.80	In addition to the procedures performed during the audit of the financial statements, in order to opine on whether supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole, the auditor should perform the following procedures using the same materiality level used in the audit of the financial statements:	AU-C 725.07								
6.80.a	Inquire of management about the purpose of the supplementary information and the criteria used by management to prepare the supplementary information.	AU-C 725.07								
6.80.b	Determine whether the form and content of the supplementary information complies with the applicable criteria.	AU-C 725.07								
6.80.c	Obtain an understanding about the methods of preparing the supplementary information and determine whether the methods of preparing the supplementary information have changed from those used in the prior period and, if the methods have changed, the reasons for such changes.	AU-C 725.07								
6.80.d	Compare and reconcile the supplementary information to the underlying accounting and other records used in preparing the financial statements or to the financial statements themselves.	AU-C 725.07								
6.80.e	Inquire of management about any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.	AU-C 725.07								
6.80.f	Evaluate the appropriateness and completeness of the supplementary information, considering the results of the procedures performed and other knowledge obtained during the audit of the financial statements.	AU-C 725.07								
6.80.g	Obtain written representations from management:	AU-C 725.07								
6.80.g.i	That it acknowledges its responsibility for the presentation of the supplementary information in accordance with the applicable criteria.	AU-C 725.07								
6.80.g.ii	That it believes the supplementary information, including its form and content, is fairly presented in accordance with the applicable criteria.	AU-C 725.07								
6.80.g.iii	That the methods of measurement or presentation have not changed from those used in the prior period or, if the methods of measurement or presentation have changed, the reasons for such changes.	AU-C 725.07								
6.80.g.iv	About any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.	AU-C 725.07								
6.80.g.v	That when the supplementary information is not presented with the audited financial statements, management will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.	AU-C 725.07								
6.81	The auditor has no responsibility for the consideration of subsequent events with respect to the supplementary information. However, if information comes to the auditor's attention (a) prior to the release of the auditor's report on the financial statements regarding subsequent events that affect the financial statements, or (b) subsequent to the release of the auditor's report on the financial statements regarding facts that, had they been known to the auditor at the date of the auditor's report, may have caused the auditor to revise the auditor's report, the auditor should apply the relevant requirements in AU-C 560, "Subsequent Events and Subsequently Discovered Facts."	AU-C 725.08								
6.82	When the entity presents supplementary information with the financial statements, the auditor should report on the supplementary information in either (a) a separate section in the auditor's report on the financial statements with the heading "Supplementary Information," or other appropriate heading, or (b) in a separate report on the supplementary information. The supplementary information section in the auditor's report on the financial statements or separate report should include the following:	AU-C 725.09								
6.82.a	A statement that the audit was conducted for the purpose of forming an opinion on the financial statements as a whole.	AU-C 725.09								
6.82.b	A statement that the supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements.	AU-C 725.09								

6.82.c	A statement that the supplementary information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements.	AU-C 725.09								
6.82.d	A statement that the supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America.	AU-C 725.09								
6.82.e	If the auditor issues an unmodified opinion on the financial statements and the auditor has concluded that the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole, a statement that, in the auditor's opinion, the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.	AU-C 725.09								
6.82.f	If the auditor issues a qualified opinion on the financial statements and the qualification has an effect on the supplementary information, a statement that, in the auditor's opinion, except for the effects on the supplementary information of (refer to the paragraph in the auditor's report explaining the qualification), such information is fairly stated, in all material respects, in relation to the financial statements as a whole.	AU-C 725.09								
6.83	When the audited financial statements are not presented with the supplementary information, the auditor should report on the supplementary information in a separate report including, in addition to the elements in question AU-C 725.09 above, a reference to the report on the financial statements, the date of that report, the nature of the opinion expressed on the financial statements, and any report modifications.	AU-C 725.10								
6.84	When the auditor's report on the audited financial statements contains an adverse opinion or a disclaimer of opinion and the auditor has been engaged to report on whether supplementary information is fairly stated, in all material respects, in relation to such financial statements as a whole, the auditor is precluded from expressing an opinion on the supplementary information. When permitted by law or regulation, the auditor may withdraw from the engagement to report on the supplementary information. If the auditor does not withdraw, the auditor's report on the supplementary information should state that because of the significance of the matter disclosed in the auditor's report, it is inappropriate to, and the auditor does not, express an opinion on the supplementary information.	AU-C 725.11								
6.85	The date of the auditor's report on the supplementary information in relation to the financial statements as a whole should not be earlier than the date on which the auditor completed the procedures required in AU-C 725.07.	AU-C 725.12								
6.86	If the auditor concludes that the supplementary information is materially misstated in relation to the financial statements as a whole, the auditor should discuss the matter with management and propose appropriate revision of the supplementary information. If management does not revise the supplementary information, the auditor should either modify the auditor's opinion on the supplementary information and describe the misstatement in the auditor's report, or if a separate report is being issued, withhold the auditor's report on the supplementary information.	AU-C 725.13								
<b>Required Supplementary Information</b>										
6.87	The auditor should apply the following procedures to required supplementary information:	AU-C 730.05								
6.87.a	Inquire of management about the methods of preparing the information, including (i) whether it has been measured and presented in accordance with prescribed guidelines, (ii) whether methods of measurement or presentation have been changed from those used in the prior period and the reasons for any such changes, and (iii) whether there were any significant assumptions or interpretations underlying the measurement or presentation of the information.	AU-C 730.05								
6.87.b	Compare the information for consistency with (i) management's responses to the foregoing inquiries, (ii) the basic financial statements, and (iii) other knowledge obtained during the audit of the basic financial statements.	AU-C 730.05								

6.87.c	Obtain written representations from management (i) that it acknowledges its responsibility for the required supplementary information; (ii) about whether the required supplementary information is measured and presented in accordance with prescribed guidelines; (iii) about whether the methods of measurement or presentation have changed from those used in the prior period and, if so, the reasons for such changes; and (iv) about any significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information.	AU-C 730.05								
6.88	If the auditor is unable to complete the procedures above, the auditor should consider whether management contributed to the auditor's inability to complete the procedures, and if due to significant difficulties encountered in dealing with management, inform those charged with governance.	AU-C 730.06								
6.89	The auditor should include a separate section in the auditor's report on the financial statements with the heading "Required Supplementary Information," or other appropriate heading. The required supplementary information section in the auditor's report on the financial statements should include language to explain the following circumstances, as applicable:									
6.89.a	The required supplementary information is included, and the auditor has applied the procedures in AU-C 730.05.	AU-C 730.07								
6.89.b	The required supplementary information is omitted.	AU-C 730.07								
6.89.c	Some required supplementary information is missing and some is presented in accordance with the prescribed guidelines.	AU-C 730.07								
6.89.d	The auditor has identified material departures from the prescribed guidelines.	AU-C 730.07								
6.89.e	The auditor is unable to complete the procedures in AU-C 730.05.	AU-C 730.07								
6.89.f	The auditor has unresolved doubts about whether the required supplementary information is presented in accordance with prescribed guidelines.	AU-C 730.07								
6.90	If the entity has presented all or some of the required supplementary information, the required supplementary information section in the auditor's report on the financial statements referred to AU-C 730.07 should include the following:	AU-C 730.08								
6.90.a	A statement that [identify the applicable financial reporting framework (for example, accounting principles generally accepted in the United States of America)] require that the [identify the required supplementary information] be presented to supplement the basic financial statements.	AU-C 730.08								
6.90.b	A statement that such information is the responsibility of management and, although not a part of the basic financial statements, is required by [identify designated accounting standards setter], who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.	AU-C 730.08								
6.90.c	If the auditor is able to complete the procedures in AU-C 730.05:	AU-C 730.08								
6.90.c.i	A statement that the auditor has applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to the auditor's inquiries, the basic financial statements, and other knowledge the auditor obtained during the audit of the basic financial statements.	AU-C 730.08								
6.90.c.ii	A statement that the auditor does not express an opinion or provide any assurance on the information because the limited procedures do not provide the auditor with sufficient evidence to express an opinion or provide any assurance.	AU-C 730.08								
6.90.d	If the auditor is unable to complete the procedures in AU-C 730.05:	AU-C 730.08								
6.90.d.i	A statement that the auditor was unable to apply certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States because [state the reasons].	AU-C 730.08								
6.90.d.ii	A statement that the auditor does not express an opinion or provide any assurance on the information.	AU-C 730.08								
6.90.e	If some of the required supplementary information is omitted:	AU-C 730.08								

6.90.e.i	A statement that management has omitted <i>[description of the missing required supplementary information]</i> that <i>[identify the applicable financial reporting framework (for example, accounting principles generally accepted in the United States of America)]</i> require to be presented to supplement the basic financial statements.	AU-C 730.08								
6.90.e.ii	A statement that such missing information, although not a part of the basic financial statements, is required by <i>[identify designated accounting standards setter]</i> , who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate <i>operational, economic, or historical context</i> .	AU-C 730.08								
6.90.e.iii	A statement that the auditor's opinion on the basic financial statements is not affected by the missing information.	AU-C 730.08								
6.90.f	If the measurement or presentation of the required supplementary information departs materially from the prescribed guidelines, a statement that although the auditor's opinion on the basic financial statements is not affected, material departures from prescribed guidelines exist <i>[describe the material departures from the applicable financial reporting framework]</i> .	AU-C 730.08								
6.90.g	If the auditor has unresolved doubts about whether the required supplementary information is measured or presented in accordance with prescribed guidelines, a statement that although the auditor's opinion on the basic financial statements is not affected, the results of the limited procedures have raised doubts about whether material modifications should be made to the required supplementary information for it to be presented in accordance with guidelines established by <i>[identify designated accounting standards setter]</i> .	AU-C 730.08								
6.91	If all of the required supplementary information is omitted, the required supplementary information section in the auditor's report on the financial statements should include the following:	AU-C 730.09								
6.91.a	A statement that management has omitted <i>[description of the missing required supplementary information]</i> that <i>[identify the applicable financial reporting framework (for example, accounting principles generally accepted in the United States of America)]</i> require to be presented to supplement the basic financial statements.	AU-C 730.09								
6.91.b	A statement that such missing information, although not a part of the basic financial statements, is required by <i>[identify designated accounting standards setter]</i> , who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.	AU-C 730.09								
6.91.c	A statement that the auditor's opinion on the basic financial statements is not affected by the missing information.	AU-C 730.09								
<b>7   Additional GAGAS Requirements for Reporting on Financial Audits</b>										
<b>Reporting Auditors' Compliance with GAGAS</b>										
7.1	Auditors should include an unmodified GAGAS compliance statement (stating that the auditors conducted the engagement in accordance with GAGAS) in the audit report when they have (1) followed unconditional and applicable presumptively mandatory GAGAS requirements, or (2) followed unconditional requirements, documented justification for any departures from applicable presumptively mandatory requirements, and achieved the objectives of those requirements through other means.	GAO 2.17a; 6.36								
7.2	When auditors do not follow unconditional and applicable presumptively mandatory GAGAS requirements or do not justify departures from applicable presumptively mandatory requirements, the auditor should include a modified GAGAS compliance statement in the audit report stating either that (1) the auditors conducted the engagement in accordance with GAGAS, except for specific applicable requirements not followed, or (2) because of the significance of the departure(s) from the requirements, the auditors were unable to and did not conduct the engagement in accordance with GAGAS.	GAO 2.17b; 6.36								
7.3	When auditors use a modified GAGAS compliance statement, they should disclose in the report:	GAO 2.18, 6.36								
7.3.a	The applicable requirement(s) not followed.	GAO 2.18, 6.36								
7.3.b	The reasons for not following the requirement(s).	GAO 2.18, 6.36								
7.3.c	How not following the requirement(s) affected or could have affected the engagement and the assurance provided.	GAO 2.18, 6.36								
7.4	When auditors do not comply with applicable requirement(s), they should:	GAO 2.19, 6.36								

7.4.a	Assess the significance of the noncompliance to the engagement objectives.	GAO 2.19, 6.36							
7.4.b	Document the assessment, along with their reasons for not following the requirement(s).	GAO 2.19, 6.36							
7.4.c	Determine the type of GAGAS compliance statement.	GAO 2.19, 6.36							
<b>Reporting on Internal Control; Compliance with Provisions of Laws, Regulations, Contracts, and Grant Agreements; and Instances of Fraud</b>									
7.5	Auditors should report on internal control and compliance with provisions of laws, regulations, contracts, or grant agreements regardless of whether they identify internal control deficiencies or instances of noncompliance.	GAO 6.39							
7.6	Auditors should report as findings any significant deficiencies or material weaknesses in internal control over financial reporting that the auditors identified based on the engagement work performed.	GAO 6.40							
7.7	Auditors should include in their report on internal control or compliance the relevant information about noncompliance and fraud, when auditors, based on sufficient, appropriate evidence, identify or suspect:	GAO 6.41							
7.7.a	Noncompliance with provisions of laws, regulations, contracts, or grant agreements that has a material effect on the financial statements or other financial data significant to the audit objectives.	GAO 6.41							
7.7.b	Fraud that is material, either quantitatively or qualitatively, to the financial statements or other financial data significant to the audit objectives.	GAO 6.41							
7.8	Auditors should include either in the same or in separate report(s) a description of the scope of the auditors' testing of internal control over financial reporting and of compliance with provisions of laws, regulations, contracts, and grant agreements.	GAO 6.42							
7.9	Auditors should also state in the report(s) whether the tests they performed provided sufficient, appropriate evidence to support opinions on the effectiveness of internal control and on compliance with provisions of laws, regulations, contracts, and grant agreements.	GAO 6.42							
7.10	If auditors report separately (including separate reports bound in the same document) on internal control over financial reporting and on compliance with provisions of laws, regulations, contracts, and grant agreements, they should include a reference in the audit report on the financial statements to those additional reports, and state in the audit report that the reports on internal control over financial reporting and on compliance with provisions of laws, regulations, contracts, and grant agreements are an integral part of a GAGAS audit in considering the audited entity's internal control over financial reporting and compliance.	GAO 6.43							
7.11	If separate reports are used, the auditors should make the report on internal control and compliance available to users in the same manner as the financial audit report to which it relates.	GAO 6.43							
7.12	Auditors should communicate in writing to audited entity officials when:	GAO 6.44							
7.12.a	Identified or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements comes to the auditor's attention during the course of an audit that has an effect on the financial statements or other financial data significant to the audit objectives that is less than material but warrants the attention of those charged with governance or	GAO 6.44							
7.12.b	The auditor has obtained evidence of identified or suspected instances of fraud that have an effect on the financial statements or other financial data significant to the audit objectives that are less than material but warrant the attention of those charged with governance.	GAO 6.44							
<b>Presenting Findings in the Audit Report</b>									
7.13	When presenting findings, auditors should develop the elements of the findings to the extent necessary to assist management or oversight officials of the audited entity in understanding the need for corrective action.	GAO 6.50							
7.14	In reporting findings, auditors should:	GAO 6.51							
7.14.a	Place their findings in perspective by describing the nature and extent of the issues being reported and the extent of the work performed that resulted in the finding.	GAO 6.51							
7.14.b	As appropriate, relate the instances identified to the population or the number of cases examined and quantify the results in terms of dollar value or other measures.	GAO 6.51							
7.14.c	Limit conclusions appropriately if the results cannot be projected.	GAO 6.51							

<b>Reporting Findings Directly to Parties Outside the Audited Entity</b>									
7.15	Auditors should report identified or suspected noncompliance with provisions of laws, regulations, contracts, and grant agreements and instances of fraud directly to parties outside the audited entity in the following two circumstances:	GAO 6.53							
7.15.a	When audited entity management fails to satisfy legal or regulatory requirements to report such information to external parties specified in law or regulation, auditors should first communicate the failure to report such information to those charged with governance. If the audited entity still does not report this information to the specified external parties as soon as practicable after the auditors' communication with those charged with governance, then the auditors should report the information directly to the specified external parties.	GAO 6.53							
7.15.b	When audited entity management fails to take timely and appropriate steps to respond to fraud or noncompliance with provisions of laws, regulations, contracts, and grant agreements that (1) is likely to have a material effect on the subject matter and (2) involves funding received directly or indirectly from a government agency, auditors should first report management's failure to take timely and appropriate steps to those charged with governance. If the audited entity still does not take timely and appropriate steps as soon as practicable after the auditors' communication with those charged with governance, then the auditors should report the audited entity's failure to take timely and appropriate steps directly to the funding agency.	GAO 6.53							
7.16	Auditors should comply with requirements for reporting findings directly to parties outside the audited entity even if they have resigned or been dismissed from the audit prior to its completion.	GAO 6.54							
7.17	Auditors should obtain sufficient, appropriate evidence, such as confirmation from outside parties, to corroborate representations by management of the audited entity that it has reported audit findings in accordance with provisions of laws, regulations, or funding agreements. (Note: when auditors are unable to do so, they should report such information directly.)	GAO 6.55							
<b>Obtaining and Reporting Views of Responsible Officials</b>									
7.18	Auditors should obtain and report the views of responsible officials of the audited entity concerning the findings, conclusions, and recommendations in the audit report, as well as any planned corrective actions.	GAO 6.57							
7.19	When auditors receive written comments from the responsible officials, the auditors should include in their report a copy of the officials' written comments or a summary of the comments received.	GAO 6.58							
7.20	When the responsible officials provide oral comments only, auditors should prepare a summary of the oral comments, provide a copy of the summary to the responsible officials to verify that the comments are accurately represented, and include the summary in their report.	GAO 6.58							
7.21	When the audited entity's comments are inconsistent or in conflict with the findings, conclusions, or recommendations in the draft report, the auditors should:	GAO 6.59							
7.21.a	Evaluate the validity of the audited entity's comments.	GAO 6.59							
7.21.b	Explain in the report the reasons for disagreement, if the auditors disagree with the comments.	GAO 6.59							
7.21.c	Modify their report, as necessary, if the auditor finds the comments valid and supported with sufficient, appropriate evidence.	GAO 6.59							
7.22	If the audited entity refuses to provide comments or is unable to provide comments within a reasonable period of time, the auditors should issue the report without receiving comments from the audited entity. In such cases, the auditors should indicate in the report that the audited entity did not provide comments.	GAO 6.60							
<b>Reporting Confidential and Sensitive Information</b>									
7.23	If certain information is prohibited from public disclosure or is excluded from a report because of its confidential or sensitive nature, auditors should disclose in the report that certain information has been omitted and the circumstances that make the omission necessary.	GAO 6.63							

7.24	When circumstances call for omission of certain information from the report, auditors should evaluate whether this omission could distort the audit results or conceal improper or illegal practices and revise the report language as necessary to avoid report users drawing inappropriate conclusions from the information presented.	GAO 6.64								
7.25	When the audit organization is subject to public records laws, auditors should determine whether public records laws could affect the availability of classified or limited use reports and determine whether other means of communicating with management and those charged with governance would be more appropriate.	GAO 6.65								
<b>Distributing Reports</b>										
7.26	Auditors should document any limitation on report distribution.	GAO 6.70								
7.27	Audit organizations in government entities should distribute audit reports to those charged with governance, to the appropriate audited entity officials, and to the appropriate oversight bodies or organizations requiring or arranging for the audits.	GAO 6.70								
7.28	Auditors in government audit organizations should distribute, as appropriate, copies of the reports to other officials who have legal oversight authority or who may be responsible for acting on audit findings and recommendations, and to others authorized to receive such reports.	GAO 6.70								
<b>8   AICPA Standards – Special Considerations</b>										
<b>Special Considerations – Audits of Financial Statements Prepared in Accordance With Special Purpose Frameworks</b>										
8.1	In an audit of special purpose financial statements, the auditor should obtain an understanding of:	AU-C 800.10								
8.1.a	The purpose for which the financial statements are prepared.	AU-C 800.10								
8.1.b	The intended users.	AU-C 800.10								
8.1.c	The steps taken by management to determine that the applicable financial reporting framework is acceptable in the circumstances.	AU-C 800.10								
8.2	In an audit of special purpose financial statements, the auditor should obtain the agreement of management that it acknowledges and understands its responsibility to include all informative disclosures that are appropriate for the special purpose framework used to prepare the entity's financial statements.	AU-C 800.11								
8.2.a	A description of the special purpose framework, including a summary of significant accounting policies, and how the framework differs from GAAP, the effects of which need not be quantified.	AU-C 800.11								
8.2.b	Informative disclosures similar to those required by GAAP, in the case of special purpose financial statements that contain items that are the same as, or similar to, those in financial statements prepared in accordance with GAAP.	AU-C 800.11								
8.2.c	A description of any significant interpretations of the contract on which the special purpose financial statements are based, in the case of special purpose financial statements prepared in accordance with a contractual basis of accounting.	AU-C 800.11								
8.2.d	Additional disclosures beyond those specifically required by the framework that may be necessary for the special purpose financial statements to achieve fair presentation.	AU-C 800.11								
8.3	In the case of special purpose financial statements prepared in accordance with a contractual basis of accounting, the auditor should obtain an understanding of any significant interpretations of the contract that management made in the preparation of those financial statements.	AU-C 800.13								
8.3a	Irrespective of whether the going concern basis of accounting is relevant to the preparation of the special purpose financial statements, the requirements of AU-C 570 apply regarding the auditor's responsibilities to perform the following tasks:	AU-C 800.14								
8.3a.1	Based on the audit evidence obtained, conclude whether, in the auditor's judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.	AU-C 800.14								
8.3a.2	When such substantial doubt exists, evaluate the adequacy of the financial statement disclosures.	AU-C 800.14								
8.3b	When forming an opinion and reporting on special purpose financial statements, the auditor should apply the requirements in AU-C 700. When, in forming an opinion, the auditor concludes that a modification to the auditor's opinion on the financial statements is necessary, the auditor should apply the requirements in AU-C 705.	AU-C 800.15								

8.4	In an audit of special purpose financial statements, the auditor should evaluate whether the financial statements are suitably titled, include a summary of significant accounting policies, and adequately describe how the special purpose framework differs from GAAP.	AU-C 800.16								
8.5	In the case of special purpose financial statements prepared in accordance with a contractual basis of accounting, the auditor should evaluate whether the financial statements adequately describe any significant interpretations of the contract on which the financial statements are based.	AU-C 800.17								
8.6	In an audit of special purpose financial statements when the special purpose financial statements contain items that are the same as, or similar to, those in financial statements prepared in accordance with GAAP, the auditor should evaluate whether:	AU-C 800.18								
8.6.a	The financial statements include informative disclosures similar to those required by GAAP.	AU-C 800.18								
8.6.b	Evaluate whether additional disclosures, beyond those specifically required by the framework, related to matters that are not specifically identified on the face of the financial statements or other disclosures are necessary for the financial statements to achieve fair presentation.	AU-C 800.18								
8.7	In the case of an auditor's report on special purpose financial statements:	AU-C 800.19								
8.7.a	The auditor's report should describe the purpose for which the financial statements are prepared or refer to a note in the special purpose financial statements that contains that information, when the financial statements are prepared in accordance with a regulatory or contractual basis of accounting, or an other basis of accounting, and the auditor is required to restrict use of the auditor's report.	AU-C 800.19								
8.7.b	If management has a choice of financial reporting frameworks in the preparation of the special purpose financial statements, the explanation of management's responsibility for the financial statements should also make reference to its responsibility for determining that the applicable financial reporting framework is acceptable in the circumstances.	AU-C 800.19								
8.8	Except for the circumstances described in paragraph AU-C 800.22, the auditor's report on special purpose financial statements should include an emphasis-of-matter paragraph, under an appropriate heading, that includes the following:	AU-C 800.20								
8.8.a	A statement that the financial statements are prepared in accordance with a special purpose framework.	AU-C 800.20								
8.8.b	A reference to the note to the financial statements that describes that framework.	AU-C 800.20								
8.8.c	A statement that the special purpose framework is a basis of accounting other than GAAP.	AU-C 800.20								
8.8.d	When a description of the purpose for which the financial statements are prepared or a reference to a note in the special purpose financial statements that contains that information is required pursuant to AU-C 800.19a, a statement that, as a result, the financial statements may not be suitable for another purpose.	AU-C 800.20								
8.9	Except for the circumstances described in paragraph AU-C 800.22, the auditor's report on special purpose financial statements should include an other-matter paragraph, under an appropriate heading, that restricts the use of the auditor's report when the special purpose financial statements are prepared in accordance with either a contractual basis of accounting, a regulatory basis of accounting, or an other basis of accounting when required pursuant to AU-C 905.06a-b.	AU-C 800.21								
8.10	If the special purpose financial statements are prepared in accordance with a regulatory basis of accounting, and the special purpose financial statements together with the auditor's report are intended for general use, the auditor should not include the emphasis-of-matter or other-matter paragraphs. Instead, the auditor should express an opinion about whether the special purpose financial statements are presented fairly, in all material respects, in accordance with GAAP. The auditor should also, in a separate paragraph, express an opinion about whether the financial statements are prepared in accordance with the special purpose framework.	AU-C 800.22								
8.11	If the auditor is required by law or regulation to use a specific layout, form, or wording of the auditor's report, the auditor's report should refer to GAAS only if the auditor's report includes, at a minimum, each of the following elements:	AU-C 800.23								
8.11.a	A title that clearly indicates that it is the report of an independent auditor.	AU-C 800.23								
8.11.b	An addressee.	AU-C 800.23								

8.11.c	An opinion section that identifies the special purpose financial statements that have been audited and contains an expression of opinion on the special purpose financial statements and a reference to the special purpose framework used to prepare the financial statements and, if applicable, an opinion on whether the special purpose financial statements are presented fairly, in all material respects, in accordance with GAAP when required by paragraph AU-C 800.22.									
8.11.d	A description of the purpose for which the financial statements are prepared when required by AU-C 800.19a.	AU-C 800.23								
8.11.e	A statement that the auditor is required to be independent of the entity and to meet the auditor's other ethical responsibilities, in accordance with the relevant ethical requirements relating to the audit.	AU-C 800.23								
8.11.f	When applicable, a section that addresses the reporting requirements in AU-C 570.24-.27.	AU-C 800.23								
8.11.g	A description of management's responsibilities for the preparation and fair presentation of the special purpose financial statements that addresses, and is consistent with, the requirements in AU-C 700.31-.33.	AU-C 800.23								
8.11.h	A reference to management's responsibility for determining that the applicable financial reporting framework is acceptable in the circumstances when required by AU-C 800.19b.	AU-C 800.23								
8.11.i	If applicable, a reference to the law or regulation and a description of the auditor's responsibilities for an audit of financial statements that addresses, and is consistent with, the requirements in AU-C 700.35-.37.	AU-C 800.23								
8.11.j	When applicable, a section that addresses the reporting requirements in AU-C 720.24.	AU-C 800.23								
8.11.k	An emphasis-of-matter paragraph that	AU-C 800.23								
8.11.k.i	When required by AU-C 800.20, indicates that the financial statements are prepared in accordance with a special purpose framework, refers to the note to the financial statements that describes that framework, and states that the special purpose framework is a basis of accounting other than GAAP.	AU-C 800.23								
8.11.k.ii	When required by AU-C 800.20d, describes the purpose for which the financial statements are prepared or refers to a note in the special purpose financial statements that contains that information, and states that, as a result, the financial statements may not be suitable for another purpose.	AU-C 800.23								
8.11.l	An other-matter paragraph that restricts the use of the auditor's report when required by AU-C 800.21.	AU-C 800.23								
8.11.m	The signature of the auditor's firm.	AU-C 800.23								
8.11.n	The city and state where the auditor's report is issued.	AU-C 800.23								
8.11.o	The date of the auditor's report.	AU-C 800.23								
8.12	If the prescribed specific layout, form, or wording of the auditor's report is not acceptable or would cause an auditor to make a statement that the auditor has no basis to make, the auditor should reword the prescribed form of report or attach an appropriately worded separate report.	AU-C 800.24								
<b>Special Considerations – Audits of Single Financial Statements and Specific Elements, Accounts, or Items of a Financial Statement</b>										
8.13	If the auditor is not also engaged to audit the entity's complete set of financial statements, the auditor should determine whether the audit of a single financial statement or a specific element of those financial statements in accordance with GAAS is practicable, and determine whether the auditor will be able to perform procedures on interrelated items.	AU-C 805.09								
8.14	In the case of an audit of a single financial statement or a specific element of a financial statement, the auditor should obtain an understanding of:	AU-C 805.10								
8.14.a	The purpose for which the single financial statement or specific element of a financial statement is prepared.	AU-C 805.10								
8.14.b	The intended users.	AU-C 805.10								
8.14.c	The steps taken by management to determine that the application of the financial reporting framework is acceptable in the circumstances.	AU-C 805.10								
8.15	The auditor should consider whether the application of the financial reporting framework will result in a presentation that provides adequate disclosures to enable the intended users to understand the information conveyed in the financial statement or the specific element and the effect of material transactions and events on the information conveyed in the financial statement or the specific element.	AU-C 805.11								

8.16	In the case of an audit of a single financial statement or a specific element of a financial statement, the auditor should perform procedures on interrelated items as necessary to meet the objective of the audit. In the case of an audit of a specific element of a financial statement:	AU-C 805.13								
8.16.a	The auditor should, if the specific element is, or is based upon, the entity's stockholders' equity or the equivalent, perform procedures necessary to obtain sufficient appropriate audit evidence to enable the auditor to express an opinion about financial position, excluding matters related to classification or disclosure that are not relevant to the audit of the specific element.	AU-C 805.13								
8.16.b	The auditor should, if the specific element is, or is based upon, the entity's net income or the equivalent, perform procedures necessary to obtain sufficient appropriate audit evidence to enable the auditor to express an opinion about financial position and results of operations, excluding matters related to classification or disclosure that are not relevant to the audit of the specific element.	AU-C 805.13								
8.17.a	In the case of an audit of a single financial statement, the auditor should determine materiality for the single financial statement being reported on rather than for the complete set of financial statements.	AU-C 805.14								
8.17.b	In the case of an audit of one or more specific elements of a financial statement, the auditor should determine materiality for each individual element reported on rather than the aggregate of all elements or the complete set of financial statements.	AU-C 805.14								
8.18	When forming an opinion and reporting on a single financial statement or a specific element of a financial statement, the auditor should apply the requirements in AU-C 700, and when applicable, AU-C 800, adapted as necessary in the circumstances of the engagement.	AU-C 805.15								
8.19	If, in conjunction with an engagement to audit the entity's complete set of financial statements, the auditor undertakes an engagement to audit a single financial statement or a specific element of a financial statement, the auditor should:	AU-C 805.16								
8.19.a	Issue a separate auditor's report and express a separate opinion for each engagement.	AU-C 805.16								
8.19.b	Indicate in the report on a specific element of a financial statement the date of the auditor's report on the complete set of financial statements and the nature of opinion expressed on those financial statements under an appropriate heading.	AU-C 805.16								
8.20	When an audited single financial statement or an audited specific element of a financial statement are published together with the entity's audited complete set of financial statements, the auditor should differentiate the:	AU-C 805.17								
8.20.a	Presentation of the single financial statement or the specific element from the complete set of financial statements.	AU-C 805.17								
8.20.b	Report on the single financial statement or the specific element of a financial statement from the report on the complete set of financial statements.	AU-C 805.17								
8.21	If the auditor concludes that the presentation of the audited single financial statement or the audited specific element does not differentiate it sufficiently from the complete set of financial statements, the auditor should:	AU-C 805.18								
8.21.a	Ask management to remedy the situation.	AU-C 805.18								
8.21.b	Not release the auditor's report containing the opinion on the single financial statement or the specific element of a financial statement until satisfied with the differentiation.	AU-C 805.18								
8.22	If the auditor's report on an entity's complete set of financial statements includes a modified opinion, an emphasis-of-matter or other-matter paragraph, a going concern section, a communication of key audit matters, or a statement describing an uncorrected material misstatement of other information, the auditor should consider the implications, if any, that these matters have for the audit of the single financial statement or for the specific element of a financial statement, and for the auditor's report thereon.	AU-C 805.19								
8.23	In the case of an audit of a specific element of a financial statement, if the auditor's modified opinion on the entity's complete set of financial statements as a whole is relevant to the audit of the specific element, the auditor should:	AU-C 805.20								
8.23.a	Express an adverse opinion on the specific element when the modification of the auditor's opinion on the complete set of financial statements as a whole arises from a material misstatement in such financial statements.	AU-C 805.20								

8.23.b	Disclaim an opinion on the specific element when the modification of the auditor's opinion on the complete set of financial statements as a whole arises from an inability to obtain <del>sufficient appropriate audit evidence</del> .	AU-C 805.20								
8.24	If the auditor concludes that it is necessary to express an adverse opinion or disclaim an opinion on the entity's complete set of financial statements as a whole, an unmodified opinion on a specific element in the same auditor's report would contradict the adverse opinion or disclaimer of opinion on the entity's complete set of financial statements as a whole and would be tantamount to expressing a piecemeal opinion. In the context of a separate audit of a specific element that is included in those financial statements, when the auditor nevertheless considers it appropriate to express an unmodified opinion on that specific element, the auditor should only do so if:	AU-C 805.21								
8.24.a	That opinion is expressed in an auditor's report that is neither published together with nor otherwise accompanies the auditor's report containing the adverse opinion or disclaimer of opinion.	AU-C 805.21								
8.24.b	The element does not constitute a major portion of the entity's complete set of financial statements or the specific element is not, or is not based upon, the entity's stockholders' equity or net <del>income or the equivalent</del> .	AU-C 805.21								
8.25	The auditor should not express an unmodified opinion on a single financial statement of a complete set of financial statements if the auditor has expressed an adverse opinion or disclaimed an opinion on the complete set of financial statements as a whole, even if the auditor's report on the single financial statement is neither published together with nor otherwise accompanies the auditor's report containing the adverse opinion or disclaimer of opinion.	AU-C 805.22								
8.26	If the auditor's report on an entity's complete set of financial statements includes an emphasis-of-matter paragraph or an other-matter paragraph that is relevant to the audit of the single financial statement or the specific element, the auditor should include a similar emphasis-of-matter paragraph or an other-matter paragraph in the auditor's report on the single financial statement or the specific element.	AU-C 805.23								
8.27	When the auditor reports on an incomplete presentation but one that is otherwise in accordance with GAAP, the auditor should include an emphasis-of-matter paragraph in the auditor's report that:	AU-C 805.24								
8.27.a	States the purpose for which the presentation is prepared and refers to a note in the financial statements that describes the <del>basis of presentation</del> .	AU-C 805.24								
8.27.b	Indicates that the presentation is not intended to be a complete presentation of the entity's assets, liabilities, revenues, or expenses.	AU-C 805.24								
<b>Reporting on Compliance With Aspects of Contractual Agreements or Regulatory Requirements in Connection With Audited Financial Statements</b>										
8.28	The auditor's report on compliance should include a statement that nothing came to the auditor's attention that caused the auditor to believe that the entity failed to comply with specified aspects of the contractual agreements or regulatory requirements, insofar as they relate to accounting matters, <u>only when all of the following exist:</u>	AU-C 806.07								
8.28.a	The auditor has not identified any instances of noncompliance.	AU-C 806.07								
8.28.b	The auditor has expressed an unmodified or qualified opinion on the financial statements to which the applicable covenants of such contractual agreements or regulatory requirements relate.	AU-C 806.07								
8.28.c	The applicable covenants or regulatory requirements relate to accounting matters that have been subjected to the <u>audit procedures applied in the audit of financial statements</u> .	AU-C 806.07								
8.29	When the auditor has identified one or more instances of noncompliance, the report on compliance should describe such <del>noncompliance</del> .	AU-C 806.08								
8.30	When the auditor has expressed an adverse opinion or disclaimed an opinion on the financial statements, the auditor should issue a report on compliance (with wording modified appropriate to the circumstances) <u>only when instances of noncompliance are identified</u> .	AU-C 806.09								
8.31	The report on compliance should be in writing and be provided either in a separate report or in one or more paragraphs included in the auditor's <u>report on the financial statements</u> .	AU-C 806.11								
8.32	When the auditor reports on compliance in a separate report, the report <u>should include the following:</u>	AU-C 806.12								
8.32.a	A title that includes the word independent to clearly indicate that it is the report of an independent auditor.	AU-C 806.12								

8.32.b	An appropriate addressee.	AU-C 806.12								
8.32.c	A paragraph that states that the financial statements were audited in accordance with generally accepted auditing standards and an identification of the United States of America as the country of origin of those standards and the date of the auditor's report on those financial statements.	AU-C 806.12								
8.32.d	If the auditor expressed a modified opinion on the financial statements, a statement describing the nature of the modification.	AU-C 806.12								
8.32.e	When no instances of noncompliance are identified by the auditor, a reference to the specific covenants or paragraphs of the contractual agreement or regulatory requirement and a statement that nothing came to the auditor's attention that caused the auditor to believe that the entity failed to comply with specified aspects of the contractual agreements or regulatory requirements, insofar as they relate to accounting matters.	AU-C 806.12								
8.32.f	When instances of noncompliance are identified by the auditor, a reference to the specific covenants or paragraphs of the contractual agreement or regulatory requirement, insofar as they relate to accounting matters, and a description of the identified instances of noncompliance.	AU-C 806.12								
8.32.g	A statement that the report is being provided in connection with the audit of the financial statements.	AU-C 806.12								
8.32.h	A statement that the audit was not directed primarily toward obtaining knowledge regarding compliance, and accordingly, had the auditor performed additional procedures, other matters may have come to the auditor's attention regarding noncompliance with the specific covenants or paragraphs of the contractual agreement or regulatory requirement, insofar as they relate to accounting matters.	AU-C 806.12								
8.32.i	A paragraph that includes a description and the source of significant interpretations, if any, made by the entity's management relating to the provisions of the relevant contractual agreement or regulatory requirement.	AU-C 806.12								
8.32.j	A paragraph that includes an appropriate alert in accordance with the AU-C 905, Alert That Restricts the Use of the Auditor's Written Communication.	AU-C 806.12								
8.32.k	The manual or printed signature of the audit organization and the city and state where the auditor practices.	AU-C 806.12								
8.32.l	The date of the report, which should be the same date as the auditor's report on the financial statements.	AU-C 806.12								
8.33	When a report on compliance is included in the auditor's report on the financial statements, the auditor's report should include an other-matter paragraph that includes a reference to the specific covenants or paragraphs of the contractual agreement or regulatory requirement, insofar as they relate to accounting matters, and also include the following:	AU-C 806.13								
8.33.a	When no instances of noncompliance are identified by the auditor, a statement that nothing came to the auditor's attention that caused the auditor to believe that the entity failed to comply with specified aspects of the contractual agreements or regulatory requirements, insofar as they relate to accounting matters.	AU-C 806.13								
8.33.b	When instances of noncompliance are identified by the auditor, a description of the identified instances of noncompliance.	AU-C 806.13								
8.33.c	A statement that the communication is being provided in connection with the audit of the financial statements.	AU-C 806.13								
8.33.d	A statement that the audit was not directed primarily toward obtaining knowledge regarding compliance, and accordingly, had the auditor performed additional procedures, other matters may have come to the auditor's attention regarding noncompliance with the specific covenants or paragraphs of the contractual agreement or regulatory requirement, insofar as they relate to accounting matters.	AU-C 806.13								
8.33.e	A paragraph that includes a description and the source of significant interpretations, if any, made by the entity's management relating to the provisions of the relevant contractual agreement or regulatory requirement.	AU-C 806.13								
8.33.f	A paragraph that includes an appropriate alert in accordance with AU-C 905.	AU-C 806.13								
<b>9   AICPA Standards – Special Considerations in the United States</b>										
<b>Alert That Restricts the Use of the Auditor's Written Communication</b>										
9.1	The auditor's written communication should include an alert, in a separate paragraph, that restricts its use when the subject matter of the auditor's written communication is based on:	AU-C 905.06								

9.1.a	Measurement or disclosure criteria that are determined by the auditor to be suitable only for a limited number of users who can be presumed to have an adequate understanding of the criteria.	AU-C 905.06								
9.1.b	Measurement or disclosure criteria that are available only to the specified parties.	AU-C 905.06								
9.1.c	Matters identified by the auditor during the course of the audit engagement when the identification of such matters is not the primary objective of the audit engagement (commonly referred to as a by-product report).	AU-C 905.06								
9.2	For written communications other than those described in question 9.6 below, the alert that restricts the use of the auditor's written communication should:	AU-C 905.07								
9.2.a	State that the auditor's written communication is intended solely for the information and use of the specified parties.	AU-C 905.07								
9.2.b	Identify the specified parties for whom use is intended.	AU-C 905.07								
9.2.c	State that the auditor's written communication is not intended to be and should not be used by anyone other than the specified parties.	AU-C 905.07								
9.3	When the auditor includes an alert that restricts the use of the auditor's written communication to certain specified parties, and the auditor is requested to add other parties as specified parties, the auditor should:	AU-C 905.08								
9.3.a	Determine whether to agree to add the other parties as specified parties.	AU-C 905.08								
9.3.b	Not agree to add as specified parties any other parties not described in AU-C 905.07b.	AU-C 905.08								
9.4	When the auditor agrees to add other parties as specified parties, the auditor should obtain affirmative acknowledgment, in writing, from the other parties of their understanding of:	AU-C 905.09								
9.4.a	The nature of the engagement resulting in the auditor's written communication.	AU-C 905.09								
9.4.b	The measurement or disclosure criteria used in the auditor's written communication.	AU-C 905.09								
9.4.c	The auditor's written communication.	AU-C 905.09								
9.5	If the other parties are added after the release of the auditor's written communication, the auditor should also take one of the following actions:	AU-C 905.10								
9.5.a	Amend the auditor's written communication to add the other parties. In such circumstances, the auditor should not change the original date of the auditor's written communication.	AU-C 905.10								
9.5.b	Provide a written acknowledgment to management and the other parties that such parties have been added as specified parties.	AU-C 905.10								
9.6	For GAGAS audits, the alert language required by AU-C 905.07 should not be used. Instead, the alert required by AU-C 905.06 should (1) describe the purpose of the auditor's written communication and (2) state that the auditor's written communication is not suitable for any other purpose.	AU-C 905.11								
<b>Compliance Audits</b>										
9.7	For single audits, the auditor must follow up on prior audit findings, perform procedures to assess the reasonableness of the summary schedule of prior audit findings prepared by the auditee in accordance with 2 CFR 200.511(b), and report as a current year audit finding when the auditor concludes that the summary schedule of prior audit findings materially misrepresents the status of any prior audit finding.	2 CFR 200.514(e); AAG-GAS 5.23, 6.56, 10.68-74, 13.39(h)								
9.8	For single audits, the auditor should establish, apply and document materiality levels, and the basis on which they were determined, for the compliance audit based on the governmental audit requirement (i.e., applying the concept of materiality to each major program taken as whole, rather than to all major programs combined).	AU-C 935.13, .42; AAG-GAS 6.47-.52								
9.9	For single audits, the auditor must:									
9.9.a	Identify major programs using a risk-based approach.	2 CFR 200.518; AU-C 935.14; AAG-GAS 5.29-.32, 8.01-.32								
9.9.b	Determine which of the government programs and compliance requirements to test.	AU-C 935.14; 2 CFR 200.514(d)(1-3), .518; Compliance Supplement Part 3: AAG-GAS 6.21-.24								
9.9.c	Consider criteria such as current and prior audit experience, oversight exercised by Federal agencies and pass-through entities, and the inherent risk of the Federal programs.	2 CFR 200.519; AU-C 935.14, AAG-GAS 8.09-.15, .22-.32								

9.10	For single audits, the auditor should perform and document risk assessment procedures for each major program to obtain a sufficient understanding of the direct and material compliance requirements and the entity's internal control over compliance with those requirements, including:	AU-C 935.15, .40; AAG-GAS 6.30-.35, 10.39								
9.10.a	Inquiring of management about whether there are findings and recommendations in reports or other written communications resulting from previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the audit.	AU-C 935.16; AAG-GAS 6.35								
9.10.b	Gaining an understanding of management's response to findings and recommendations that could have a material effect on the entity's compliance with direct and material compliance requirements.	AU-C 935.16; AAG-GAS 6.35								
9.10.c	Using risk assessment information to identify and assess risks of material noncompliance and determine the nature, timing, and extent of the audit procedures.	AU-C 935.17, .41; AAG-GAS 6.36-.46								
9.11	For single audits, the auditor should identify and assess and document the risks of material noncompliance whether due to fraud or error for each direct and material compliance requirement and consider whether any of those risks are pervasive to the entity's compliance because they may affect the entity's compliance with many compliance requirements.	AU-C 935A.17, .40; AAG-GAS 6.36-.46								
9.12	For single audits, in those instances where internal control over some or all of the compliance requirements for a major program are likely to be ineffective in preventing or detecting noncompliance, the auditor must report a significant deficiency or material weakness in accordance with 2 CFR 200.516, assess the related control risk at the maximum, and consider whether additional compliance tests are required because of ineffective internal control.	2 CFR 200.514(c)(4); AAG-GAS 9.40								
9.13	For single audits, if the auditor identified risks of material noncompliance that are pervasive to the entity's compliance, the auditor should develop and document an overall response to such risks.	AU-C 935.18, .41; AAG-GAS 10.07-.09								
9.14	For single audits, the auditor should design, perform and document further audit procedures, including tests of details, to obtain sufficient appropriate audit evidence about the entity's compliance with each of the direct and material compliance requirements in response to the assessed risks of material noncompliance.	AU-C 935.19, .41; AAG-GAS 10.08-.09								
9.15	For single audits, the auditor must plan and perform testing of internal controls over compliance for major programs to support a low assessed level of control risk for the assertions relevant to the compliance requirements for each major program.	2 CFR 200.514(c)(3); AU-C 935.20; AAG-GAS 9.34-.46								
9.16	For single audits, the auditor should obtain written representations from management that are tailored to the entity and the single audit requirement.	AU-C 935.23-.24; AAG-GAS 10.77-.79								
9.17	For single audits, the auditor should perform audit procedures up to the date of the auditor's report to obtain sufficient appropriate evidence that all subsequent events related to the entity's compliance during the period covered by the auditor's report on compliance have been identified and appropriately addressed.	AU-C 935.25-.27; AAG-GAS 10.53-.54								
9.18	For single audits, the auditor should evaluate the sufficiency and appropriateness of the audit evidence obtained and form an opinion on whether the entity complied with Federal statutes, regulations, and the terms and conditions of Federal awards that could have a direct and material effect on each major program.	AU-C 935.28-.29; 2 CFR 200.514(d)(1); AAG-GAS 10.57-.59								
9.19	For single audits, in forming an opinion, the auditor should evaluate likely questioned costs, not just known questioned costs, as well as other material noncompliance that, by its nature, may not result in questioned costs.	AU-C 935.29, AAG-GAS 10.62								
9.20	For single audits, the following reports must be issued:									
9.20.a	The auditor's report that includes an opinion (or disclaimer of opinion) as to whether the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the entity's financial statements as a whole.	2 CFR 200.515(a); AU-C 725.09-.13; AAG-GAS 7.37, 13.11-.13								
9.20.b	The auditor's report on compliance for each major program and a report on internal control over compliance that describes the scope of testing of internal control over compliance; includes an opinion or disclaimer of opinion as to whether the auditee complied with Federal statutes, regulations, and the terms and conditions of Federal awards which could have a direct and material effect on each major program; and refers to the separate schedule of findings and questioned costs described in item 2 CFR 200.515(d).	2 CFR 200.515(c); AU-C 935.30-.36; AAG-GAS 13.26								

9.20.c	A schedule of findings and questioned costs.	2 CFR 200.515(d); AAG-GAS 13.34-.35								
9.21	For single audits, the auditor should modify the auditor's opinion on compliance if any of the following conditions exist:	AU-C 935.34; AAG-GAS 13.21-.25								
9.21.a	The auditor concludes that, based on the audit evidence obtained, material noncompliance with the applicable compliance requirements exists.	AU-C 935.34; AAG-GAS 13.22								
9.21.b	The auditor is unable to obtain sufficient appropriate audit evidence to conclude whether material noncompliance with the applicable compliance requirements exists.	AU-C 935.34; AAG-GAS 13.23-.25								
9.22	For single audits, the auditor should appropriately modify the compliance report when the auditor makes reference to the report of another auditor as the basis, in part, for the auditor's report.	AU-C 935.36; AAG-GAS 13.32								
9.23	For single audits, the auditor should communicate to those charged with governance of the auditor's responsibilities under GAAS, Government Auditing Standards, and the Uniform Guidance, an overview of the planned scope and timing of the compliance audit, and any significant deficiencies and material weaknesses in internal control over compliance that the auditor identified during the compliance audit.	AU-C 935.38; AAG-GAS 6.08-.09, 13.39-.49								
9.24	In the case of a reissued single audit report, the reissued report should include an other-matter paragraph stating that the report is replacing a previously issued report and describing the reasons why the report is being reissued, and any changes from the previously issued report.	AU-C 935.44; AAG-GAS 13.30-.31								

## Audit Review Guide | Financial Audit | Coversheet

Audit Organization Under Review

Audit Under Review

Person(s) Who Completed This Form

External Peer Review Team Leader

Date

Audit Period

Summary Results of Review

### Guide for Review of Financial Audit Engagements

#### Purpose

The purpose of the Guide for Review of Audit Engagements is to assist the reviewer in determining the extent to which the particular audit engagement under review was conducted in accordance with generally accepted auditing standards and the 2018 revision to Government Auditing Standards issued by the U.S. Government Accountability Office, as amended.

#### The Form of the Guide

The guide is broken down into the following sections:

- GAGAS General Standards
- AICPA Standards relating to General Principles and Responsibilities
- AICPA Standards relating to Risk Assessment and Response to Assessed Risks
- AICPA Standards relating to Audit Evidence
- AICPA Standards relating to Using the Work of Others
- Additional GAGAS Requirements for Performing Financial Audits
- AICPA Standards relating to Audit Conclusions and Reporting
- Additional GAGAS Requirements for Reporting on Financial Audits
- AICPA Standards relating to Special Considerations
- AICPA Standards relating to Special Considerations in the United States

#### Instructions

The reviewer is to complete the questionnaire and check “Yes” “No” or “N/A” in the appropriate space at the end of each step. The comments column is to be used to reference “No” answers to the Matters for Further Consideration (MFC) form.

The questions in this guide emphasize reporting matters and general procedures ordinarily performed by an independent auditor in the examination of financial statements of governmental units. This guide can be used in reviewing the audit of the basic financial statements, the comprehensive annual financial report, or component unit financial statements. The reviewer, however, should recognize that this guide does not address certain items contained in the comprehensive annual financial report, such as the introductory section and nonfinancial statistical information. In addition, appendices to the guide have been developed for the special requirements of the Single Audit Act Amendments of 1996 and financial audit reports.

The questions have been derived principally from the pronouncements listed below.

#### **References to Standards**

The guide includes abbreviated references to certain professional literature as follows:

*AU-C Professional Standards – Statements on Auditing Standards (Clarified), AICPA* (updated through SAS No. 142)

*ASLG State and Local Governments, with conforming changes as of 2022*

*GAO Government Auditing Standards, 2018 Revision*

Question #	Question	Standard Reference	Totals:			Comments
			0	0	0	
(0 of 314 questions answered)						
<b>1   GAGAS General Standards</b>						
<b>Independence</b>						
1.1	In all matters relating to the GAGAS engagement, were the auditors and the audit organization independent from the audited entity during the subject matter period and period of professional engagement?	GAO 3.18- .20				
<b>GAGAS Conceptual Framework Approach to Independence</b>						
1.2	Did the auditors use professional judgment and apply the conceptual framework at the audit organization, engagement team, and individual auditor levels to:	GAO 3.27, 3.29, 3.30				
	Identify threats to independence, including evaluating the following broad categories:	GAO 3.27a				
	Self-interest threat?	GAO 3.30a				
	Self-review threat?	GAO 3.30b				
	Bias threat?	GAO 3.30c				
	Familiarity threat?	GAO 3.30d				
	Undue influence threat?	GAO 3.30e				
	Management participation threat?	GAO 3.30f				
	Structural threat?	GAO 3.30g				
	Evaluate the significance of threats identified, both individually and in the aggregate?	GAO 3.27b				
	Apply safeguards as necessary to eliminate the threats or reduce them to an acceptable level?	GAO 3.27c				
1.3	If the auditors became aware of new information or changes in facts and circumstances that could affect whether a threat had been eliminated or reduced to an acceptable level, did the auditors reevaluate threats to independence, including any safeguards applied?	GAO 3.28				
1.4	Did the auditors determine whether identified threats to independence were at an acceptable level or had been eliminated or reduced to an acceptable level, considering both qualitative and quantitative factors to determine the significance of a threat?	GAO 3.31				
1.5	In instances where threats to independence are not at an acceptable level, thereby requiring the application of safeguards, did the auditors document the threats identified, whether appropriate safeguards could be applied to eliminate the threats or reduce them to an acceptable level, and any safeguards that were applied?	GAO 3.32, 3.33, 3.107a				
1.6	If the auditors initially identified a threat to independence after the audit report was issued, did the auditors evaluate the threat's effect on the engagement and on GAGAS compliance?	GAO 3.34				
1.7	If the newly identified threat's effect on the engagement would have resulted in the audit report being different from the report issued had the auditors been aware of it, did the auditors:	GAO 3.34				
	Communicate, in the same manner as that used to originally distribute the report, to those charged with governance, the appropriate officials of the audited entity, the appropriate officials of the audit organization requiring or arranging for the engagements, and other known users, so that they did not continue to rely on findings or conclusions that were affected by the threat to independence?	GAO 3.34				
	Remove the report from the auditors' publicly accessible website and post a public notification that the report was removed (if previously posted)?	GAO 3.34				
	Determine whether to perform additional engagement work necessary to reissue the report, including any revised findings or conclusions, or to repost the original report if the additional engagement work did not result in a change in findings or conclusions?	GAO 3.34				
1.8	In instances where the audit organization was required to perform a nonaudit service that impaired the auditors' independence with respect to the required audit, was the nature of the threat disclosed in the audit report and the GAGAS compliance statement modified?	GAO 3.60, 3.64, 3.84				
<b>Professional Judgment</b>						
1.9	After completing the review of this audit, can you conclude that the auditors used professional judgment in planning and conducting the engagement, and in reporting the results?	GAO 3.109				
<b>Competence</b>						
1.10	Based on the work performed, does it appear that the auditors assigned to conduct the engagement collectively possessed (before beginning work on the engagement) the competence needed to address the engagement objectives and perform their work in accordance with GAGAS?	GAO 4.02, 4.03				
1.11	If specialists assisted the engagement team, based on the work performed, does it appear they were qualified and competent in their areas of specialization?	GAO 4.12				
<b>Quality Control and Assurance</b>						
1.12	Does it appear that the organization adhered to its system of quality control in the conduct of this engagement?	GAO 5.02				
<b>Engagement Performance</b>						
1.13	If auditors changed the engagement objectives during the engagement, did the auditors document the revised engagement objectives and the reasons for the change?	GAO 5.23				
1.14	If difficult or contentious issues arose among engagement team members during the course of conducting a GAGAS engagement:	GAO 5.24				
	Did appropriate consultation take place?	GAO 5.24a				
	Did both the individual seeking consultation and the individual consulted document and agree upon the nature and scope of such consultations?	GAO 5.24b				

			Totals:			0	0	0	(0 of 314 questions answered)
Question #	Question	Standard Reference	Yes	No	N/A	Comments			
	Were the conclusions resulting from consultations documented, understood by both the individual seeking consultation and the individual consulted, and implemented?	GAO 5.24c							
<b>Supervision</b>									
1.15	Did the auditors communicate the identity and role of the engagement partner or director to management and those charged with governance of the audited entity?	GAO 5.37a							
<b>2   AICPA Standards Relating to General Principles and Responsibilities</b>									
<b>Terms of Engagement</b>									
2.1	Were the agreed-upon terms of the audit engagement documented in an audit engagement letter or other suitable form of written agreement, and did it include the following:	AU-C 210.09-.10							
	The objective and scope of the audit of the financial statements?	AU-C 210.10							
	The responsibilities of the auditor?	AU-C 210.10							
	The responsibilities of management?	AU-C 210.10							
	A statement that because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk exists that some material misstatements may not be detected even though the audit is properly planned and performed in accordance with GAAS?	AU-C 210.10							
	Identification of the applicable financial reporting framework for the preparation of the financial statements?	AU-C 210.10							
	Reference to the expected form and content of any reports to be issued by the auditor and a statement that circumstances may arise in which a report may differ from its expected form and content?	AU-C 210.10							
<b>Audit Documentation</b>									
2.2	Is the audit documentation sufficient to enable an experienced auditor, having no previous connection with the audit, to understand:	AU-C 230.08							
	The nature, timing, and extent of the audit procedures performed to comply with GAAS and applicable legal and regulatory requirements?	AU-C 230.08							
	The results of the audit procedures performed, and the audit evidence obtained?	AU-C 230.08							
	Significant findings or issues arising during the audit, the conclusions reached thereon, and significant professional judgments made in reaching those conclusions?	AU-C 230.08							
2.3	In documenting the nature, timing, and extent of audit procedures performed, did the auditor record:	AU-C 230.09							
	The identifying characteristics of the specific items or matters tested?	AU-C 230.09							
	Who performed the audit work and the date such work was completed?	AU-C 230.09							
	Who reviewed the audit work performed and the date and extent of such review?	AU-C 230.09							
2.4	For audit procedures related to the inspection of significant contracts or agreements, did the auditor include abstracts or copies of those contracts or agreements in the audit documentation?	AU-C 230.10							
2.5	Did the auditor document discussions of significant findings or issues with management, those charged with governance, and others, including the nature of the significant findings or issues discussed, and when and with whom the discussions took place?	AU-C 230.11							
2.6	If the auditor identified information that was inconsistent with the auditor's final conclusion regarding a significant finding or issue, did the auditor document how the inconsistency was addressed?	AU-C 230.12							
2.7	If the auditor judged it necessary to depart from a relevant presumptively mandatory requirement, did the auditor document the justification for the departure and how the alternative audit procedures performed in the circumstances were sufficient to achieve the intent of that requirement?	AU-C 230.13							
2.8	If the auditor performed new or additional audit procedures or drew new conclusions after the date of the auditor's report, did the auditor document:	AU-C 230.14							
	The circumstances encountered?	AU-C 230.14							
	The new or additional audit procedures performed, audit evidence obtained, and conclusions reached, and their effect of the auditor's report?	AU-C 230.14							
	When and by whom the resulting changes to the audit documentation were made and reviewed?	AU-C 230.14							
2.9	Did the auditor document the report release date in the audit documentation?	AU-C 230.15							
2.10	Was the final audit file completed and assembled on a timely basis (within 60 days following the report release date)?	AU-C 230.16							
2.11	If the auditor modified existing audit documentation or added new audit documentation after the documentation completion date, did the auditor document the specific reasons for making the changes and when and by whom the changes were made and reviewed?	AU-C 230.18							
<b>Consideration of Fraud in a Financial Statement Audit</b>									
2.12	Did key engagement team members discuss how and where the entity's financial statements (including the individual statements and the disclosures) might be susceptible to material misstatement due to fraud, how management could perpetrate and conceal fraudulent financial reporting, and how assets of the entity could be misappropriated and, in particular address:	AU-C 240.15							
	Known external and internal factors affecting the entity that may create an incentive or pressure for management or others to commit fraud, provide the opportunity for fraud to be perpetrated, and indicate a culture or environment that enables management or others to rationalize committing fraud?	AU-C 240.15							
	The risk of management override of controls?	AU-C 240.15							
	Consideration of circumstances that might be indicative of earnings management or manipulation of other financial measures and the practices that might be followed by management to manage earnings or other financial measures that could lead to fraudulent financial reporting?	AU-C 240.15							
	The importance of maintaining professional skepticism throughout the audit regarding the potential for material misstatement due to fraud?	AU-C 240.15							

Question #	Question	Standard Reference	Totals:			(0 of 314 questions answered)	Comments
			0	0	0		
			Yes	No	N/A		
	How the auditor might respond to the susceptibility of the entity's financial statements to material misstatement due to fraud?	AU-C 240.15					
2.13	Did the auditor perform the following procedures to obtain information for use in identifying the risks of material misstatement due to fraud:	AU-C 240.16					
	Make inquiries of management and others within the entity regarding:	AU-C 240.17					
	Management's assessment of the risk that the financial statements may be materially misstated due to fraud, including the nature, extent, and frequency of such assessments?	AU-C 240.17					
	Management's process for identifying, responding to, and monitoring the risks of fraud in the entity, including any specific risks of fraud that management has identified or that have been brought to its attention, or classes of transactions, account balances, or disclosures for which a risk of fraud is likely to exist?	AU-C 240.17					
	Management's communication, if any, to those charged with governance regarding its processes for identifying and responding to the risks of fraud in the entity?	AU-C 240.17					
	Management's communication, if any, to employees regarding its views on business practices and ethical behavior?	AU-C 240.17					
	Whether the entity entered into any significant unusual transactions and, if so, the nature, terms, and business purpose (or the lack thereof) of those transactions and whether such transactions involved related parties?	AU-C 240.17					
	Make inquiries of management, and others within the entity as appropriate, about whether they have knowledge of any actual, suspected, or alleged fraud affecting the entity?	AU-C 240.18					
	Make inquiries of the appropriate individuals within the internal audit function (if applicable) to obtain their views about the risks of fraud, whether they had knowledge of any actual, suspected, or alleged fraud affecting the entity; whether they had performed any procedures to identify or detect fraud during the year; whether management satisfactorily responded to any findings resulting from these procedures; and whether they were aware that the entity had entered into any significant unusual transactions?	AU-C 240.19					
2.14	For those charged with governance, did the auditor:	AU-C 240.20-21					
	Obtain an understanding of how those charged with governance exercise oversight of management's processes for identifying and responding to the risks of fraud in the entity and the internal control that management has established to mitigate these risks?	AU-C 240.20					
	Make inquiries of those charged with governance (or the audit committee or, at least, its chair) to determine their views about the risks of fraud, whether they have knowledge of any actual, suspected, or alleged fraud affecting the entity, and whether the entity had entered into any significant unusual transactions?	AU-C 240.21					
2.15	Based on analytical procedures performed as part of risk assessment procedures, did the auditor evaluate, if applicable, whether unusual or unexpected relationships identified indicated risks of material misstatement due to fraud?	AU-C 240.22					
2.16	If applicable, did the auditor consider whether other information (e.g., experience gained on other engagements performed for the entity) obtained by the auditor indicates risks of material misstatement due to fraud?	AU-C 240.23					
2.17	Did the auditor evaluate whether the information obtained from the risk assessment procedures and related activities performed indicated that one or more fraud risk factors were present?	AU-C 240.24					
2.18	Did the auditor identify and assess the risks of material misstatement due to fraud at the financial statement level, and at the assertion level for classes of transactions, account balances, and disclosures?	AU-C 240.25-27					
2.19	Did the auditor determine overall responses to address the assessed risks of material misstatement due to fraud at the financial statement level including:	AU-C 240.28-29					
	Assigning and supervising personnel, taking into account the knowledge, skill, and ability of the individuals to be given significant engagement responsibilities and the auditor's assessment of the risks of material misstatement due to fraud for the engagement?	AU-C 240.29					
	Evaluating whether the selection and application of accounting policies by the entity, particularly those related to subjective measurements and complex transactions, may be indicative of fraudulent financial reporting resulting from management's effort to manage earnings, or a bias that may create a material misstatement?	AU-C 240.29					
	Incorporating an element of unpredictability in the selection of the nature, timing, and extent of audit procedures?	AU-C 240.29					
2.20	Did the auditor design and perform further audit procedures whose nature, timing, and extent are responsive to the assessed risks of material misstatement due to fraud at the assertion level?	AU-C 240.30					
2.21	Did the auditor address the risk of management override of controls apart from any conclusions regarding the existence of more specifically identifiable risks by designing and performing audit procedures to:	AU-C 240.32					
	Test the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements, including entries posted directly to financial statement drafts?	AU-C 240.32					
	Review accounting estimates for biases and evaluate whether the circumstances producing the bias, if any, represent a risk of material misstatement due to fraud?	AU-C 240.32					
	Evaluate, given the auditor's understanding of the entity and its environment and other information obtained during the audit, whether the business purpose (or the lack thereof) of significant unusual transactions suggests that they may have been entered into to engage in fraudulent financial reporting or to conceal misappropriation of assets?	AU-C 240.32					
2.22	Did the auditor evaluate, at or near the end of the audit, whether the accumulated results of auditing procedures affect the assessment of the risks of material misstatement due to fraud made earlier in the audit or indicate a previously unrecognized risk of material misstatement due to fraud?	AU-C240.34					

			Totals:			0	0	0	(0 of 314 questions answered)
Question #	Question	Standard Reference	Yes	No	N/A	Comments			
2.23	If the auditor identified a misstatement, did the auditor evaluate whether such a misstatement was indicative of fraud and if so, evaluate the implications of the misstatement with regard to other aspects of the audit, particularly the auditor's evaluation of materiality, management and employee integrity, and the reliability of management representations, recognizing that an instance of fraud is unlikely to be an isolated occurrence.	AU-C 240.35							
2.24	If the auditor identified a misstatement, whether material or not, and the auditor had reason to believe that it was, or may be, the result of fraud and that management (in particular, senior management) or possible collusion is involved, did the auditor reconsider the reliability of evidence previously obtained and reevaluate the assessment of the risks of material misstatement due to fraud and its resulting effect on the nature, timing, and extent of audit procedures to respond to the assessed risks?	AU-C 240.36							
2.25	If, as a result of identified fraud or suspected fraud, the auditor encountered circumstances that brought into question the auditor's ability to continue performing the audit, did the auditor:	AU-C 240.38							
	Determine the professional and legal responsibilities applicable in the circumstances, including whether a requirement exists for the auditor to report to the person or persons who engaged the auditor or, in some cases, to regulatory authorities?	AU-C 240.38							
	Consider whether it is appropriate to withdraw from the engagement, when withdrawal is possible under applicable law or regulation?	AU-C 240.38							
	If the auditor withdraws:	AU-C 240.38							
	Discuss with the appropriate level of management and those charged with governance the auditor's withdrawal from the engagement and the reasons for the withdrawal?	AU-C 240.38							
	Determine whether a professional or legal requirement exists to report to the person or persons who engaged the auditor or, in some cases, to regulatory authorities, the auditor's withdrawal from the engagement and the reasons for the withdrawal?	AU-C 240.38							
2.26	If the auditor identified fraud or obtained information that indicated that a fraud may exist, did the auditor communicate these matters on a timely basis to the appropriate level of management, or if management is involved, to those charged with governance?	AU-C 240.39-41							
2.27	If the auditor identified or suspected fraud, did the auditor determine whether the auditor has a responsibility to report the occurrence or suspicion to a party outside the entity (e.g., regulatory and enforcement authorities)?	AU-C 240.42							
<b>Consideration of Laws and Regulations in an Audit of Financial Statements</b>									
2.28	As part of obtaining an understanding of the entity and its environment did the auditor obtain a general understanding of the following:	AU-C 250.12							
	The legal and regulatory framework applicable to the entity and the industry or sector in which the entity operates?	AU-C 250.12							
	How the entity is complying with that framework?	AU-C 250.12							
2.29	Did the auditor obtain sufficient appropriate audit evidence regarding material amounts and disclosures in the financial statements that are determined by the provisions of those laws and regulations generally recognized to have a direct effect on their determination?	AU-C 250.13							
2.30	Did the auditor perform the following audit procedures that may identify instances of noncompliance with other laws and regulations that may have a material effect on the financial statements:	AU-C250.14							
	Inquiring of management and, when appropriate, those charged with governance about whether the entity is in compliance with such laws and regulations?	AU-C250.14							
	Inspecting correspondence, if any, with the relevant licensing or regulatory authorities?	AU-C 250.14							
2.31	During the audit, if the auditor became aware of information concerning an instance of noncompliance or suspected noncompliance with laws and regulations, did the auditor obtain:	AU-C 250.17							
	An understanding of the nature of the act and the circumstances in which it has occurred?	AU-C 250.17							
	Further information to evaluate the possible effect on the financial statements?	AU-C 250.17							
2.32	If the auditor suspected noncompliance may exist, did the auditor discuss the matter with management (at a level above those involved with the suspected noncompliance, if possible) and, if appropriate, those charged with governance?	AU-C 250.18							
2.33	If sufficient information about suspected noncompliance could not be obtained from management or those charged with governance, did the auditor evaluate:	AU-C 250.19							
	The effect of the lack of sufficient appropriate audit evidence on the auditor's opinion?	AU-C 250.19							
	The implications of noncompliance in relation to other aspects of the audit, including the auditor's risk assessment and the reliability of written representations, and take appropriate action?	AU-C 250.20							
2.34	Did the auditor communicate with those charged with governance matters involving noncompliance with laws and regulations that came to the auditor's attention during the course of the audit, other than when the matters were clearly inconsequential?	AU-C 250.21							
2.35	If the auditor suspected that management or those charged with governance were involved in noncompliance, did the auditor communicate the matter to the next higher level of authority at the entity, if it existed, or if no higher authority existed, or if the auditor believed that the communication may not be acted upon or was unsure about the person to whom to report, did the auditor consider the need to obtain legal advice?	AU-C 250.23							
2.36	Regarding reporting noncompliance in the auditor's report on the financial statements:	AU-C 250.24-26							
	If the auditor concluded that the noncompliance had a material effect on the financial statements, and it was not adequately reflected in the financial statements, did the auditor express a qualified or adverse opinion on the financial statements?	AU-C 250.24							

		Totals: 0 0 0			(0 of 314 questions answered)	
Question #	Question	Standard Reference	Yes	No	N/A	Comments
	If the auditor was precluded by management or those charged with governance from obtaining sufficient appropriate audit evidence to evaluate whether noncompliance that could be material to the financial statements had, or was likely to have had, occurred, did the auditor express a qualified opinion or disclaim an opinion on the financial statements on the basis of a limitation on the scope of the audit?	AU-C 250.25				
	If the auditor was unable to determine whether noncompliance had occurred because of limitations imposed by the circumstances rather than by management or those charged with governance, did the auditor evaluate the effect on the auditor's opinion?	AU-C 250.26				
2.37	If the auditor has identified or suspected noncompliance with laws and regulations, did the auditor determine whether the auditor had a responsibility to report the identified or suspected noncompliance to parties outside the entity?	AU-C 250.27				
<b>The Auditor's Communication with Those Charged with Governance</b>						
2.38	Did the auditor communicate with those charged with governance the auditor's responsibilities with regard to the financial statement audit, including that: The auditor is responsible for forming and expressing an opinion about whether the financial statements that have been prepared by management, with the oversight of those charged with governance, are prepared, in all material respects, in conformity with the applicable financial reporting framework? The audit of the financial statements does not relieve management or those charged with governance of their responsibilities?	AU-C 260.10				
2.39	Did the auditor communicate with those charged with governance an overview of the planned scope and timing of the audit, including communicating about significant risks identified by the auditor?	AU-C 260.11				
2.40	Regarding significant findings or issues from the audit, did the auditor communicate with those charged with governance the following items: The auditor's views about qualitative aspects of the entity's significant accounting practices, including accounting policies, accounting estimates, and financial statement disclosures? Significant unusual transactions, if any? Significant difficulties, if any, encountered during the audit? Disagreements with management, if any? Circumstances that affected the form and content of the auditor's report, if any? Matters that were difficult or contentious for which the auditor consulted outside the engagement team and were, in the auditor's professional judgment, significant and relevant to those charged with governance regarding their responsibility to oversee the financial reporting process? Other findings or issues, if any, arising during the audit that were, in the auditor's professional judgment, significant and relevant to those charged with governance regarding their responsibility to oversee the financial reporting process?	AU-C 260.12				
2.41	For uncorrected misstatements, did the auditor communicate the following with those charged with governance: Uncorrected misstatements accumulated by the auditor and the effect that they, individually or in the aggregate, had on the opinion in the auditor's report? Did the auditor's communication identify material uncorrected misstatements individually? Did the auditor request that uncorrected misstatements be corrected? The effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole? That uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even if the auditor concluded that the uncorrected misstatements were immaterial to the financial statements under audit?	AU-C 260.13				
2.42	Unless all of those charged with governance are involved in managing the entity, did the auditor also communicate: Material, corrected misstatements that were brought to the attention of management as a result of audit procedures? Significant findings or issues that arose during the audit that were discussed, or were the subject of correspondence, with management? The auditor's views about significant matters that were the subject of management's consultations with other accountants on accounting or auditing matters when the auditor was aware that such consultation had occurred? Written representations the auditor was requesting?	AU-C 260.14				
2.42.a	If, as part of its communication to those charged with governance, management communicated some or all of the matters the auditor is required to communicate, and as a result, the auditor did not communicate these matters at the same level of detail as management, did the auditor communicate any omitted or inadequately described matters to those charged with governance? Note: The auditor does not need to communicate them at the same level of detail as management, as long as the auditor (a) participated in management's discussion with those charged with governance, and (b) affirmatively confirmed to those charged with governance that management has adequately communicated these matters.	AU-C 260.17				
2.43	If the auditor communicated matters to those charged with governance in writing, did the auditor indicate in the communication that it is intended solely for the information and use of those charged with governance and, if appropriate, management, and is not intended to be, and should not be used by anyone other than these specified parties?	AU-C 260.18				
2.44	When matters required to be communicated to those charged with governance were communicated: Orally, did the auditor include them in the audit documentation, including when and to whom they were communicated? In writing, did the auditor retain a copy of the communication as part of the audit documentation?	AU-C 260.21				

		Totals:			(0 of 314 questions answered)	
Question #	Question	Standard Reference	Yes	No	N/A	Comments
2.44.a	If, as part of its communication to those charged with governance, management communicated some or all of the matters the auditor is required to communicate, and as a result, the auditor did not communicate these matters at the same level of detail as management, did the auditor include a copy or summary of management's communications provided to those charged with governance in the audit documentation?	AU-C 260.21				
<b>Communicating Internal Control Related Matters Identified in an Audit</b>						
2.45	Did the auditor determine whether, on the basis of the audit work performed, the auditor had identified one or more deficiencies in internal control?	AU-C 265.08				
2.46	If the auditor identified one or more deficiencies in internal control, did the auditor evaluate each deficiency to determine, on the basis of the audit work performed, whether, individually or in combination, they constituted significant deficiencies or material weaknesses?	AU-C 265.09				
2.47	Did the auditor communicate in writing to those charged with governance within a timely basis (no later than 60 days following the report release date) significant deficiencies and material weaknesses identified during the audit, including those that were remediated during the audit?	AU-C 265.11, .13				
2.48	Did the auditor also communicate to management at an appropriate level of responsibility, on a timely basis (no later than 60 days following the report release date):	AU-C 265.12-.13				
	In writing, significant deficiencies and material weaknesses that the auditor communicated or intended to communicate to those charged with governance, unless it would be inappropriate to communicate directly to management in the circumstances?	AU-C 265.12				
	In writing or orally, other deficiencies in internal control identified during the audit that were not communicated to management by other parties and that, in the auditor's professional judgment, were of sufficient importance to merit management's attention? (Note: if other deficiencies in internal control are communicated orally, the auditor should document the communication.)	AU-C 265.12				
2.49	Did the auditor include the following items in the auditor's written communication of significant deficiencies and material weaknesses:	AU-C 265.14				
	The definition of the term material weakness and, when relevant, the definition of the term significant deficiency?	AU-C 265.14				
	A description of the significant deficiencies and material weaknesses and an explanation of their potential effects?	AU-C 265.14				
	Sufficient information to enable those charged with governance and management to understand the context of the communication, particularly the following elements explaining that:	AU-C 265.14				
	The purpose of the audit was for the auditor to express an opinion on the financial statements?	AU-C 265.14				
	The audit included consideration of internal control over financial reporting in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of internal control?	AU-C 265.14				
	The auditor is not expressing an opinion on the effectiveness of internal control?	AU-C 265.14				
	The auditor's consideration of internal control was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified?	AU-C 265.14				
	An appropriate alert regarding the restricted use of the auditor's written communication?	AU-C 265.14				
2.50	Did the auditor refrain from issuing a written communication stating that no significant deficiencies were identified during the audit?	AU-C 265.16				
<b>3   AICPA Standards Relating to Risk Assessment and Response to Assessed Risks</b>						
<b>Planning an Audit</b>						
3.1	Did the auditor establish and document an overall audit strategy for the audit, including:	AU-C 300.07-.08, .14a				
	Identifying the characteristics of the engagement that define its scope?	AU-C 300.07-.08, .14a				
	Ascertaining the reporting objectives of the engagement in order to plan the timing of the audit and the nature of the communications required?	AU-C 300.07-.08, .14a				
	Considering the factors that, in the auditor's professional judgment, are significant in directing the engagement team's efforts?	AU-C 300.07-.08, .14a				
	Considering the results of preliminary engagement activities and, when applicable, whether knowledge gained on other engagements performed by the engagement partner for the entity is relevant?	AU-C 300.07-.08, .14a				
	Ascertaining the nature, timing, and extent of resources necessary to perform the engagement?	AU-C 300.07-.08, .14a				
3.2	Did the auditor develop and document an audit plan that includes a description of the following:	AU-C 300.09, .14b				
	The nature and extent of planned risk assessment procedures?	AU-C 300.09, .14b				
	The nature, timing, and extent of planned further audit procedures at the relevant assertion level?	AU-C 300.09, .14b				
	Other planned audit procedures that are required to be carried out so that the engagement complies with generally accepted auditing standards?	AU-C 300.09, .14b				
3.3	Did the auditor include in the audit documentation any significant changes made during the audit engagement to the overall audit strategy and audit plan and the reasons for such changes?	AU-C 300.10, .14c				
<b>Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement</b>						
3.4	Did the auditor perform the following risk assessment procedures to provide a basis for the identification and assessment of risks of material misstatement at the financial statement and relevant assertion level:	AU-C 315.05-.06				
	Inquiries of management, appropriate individuals within the internal audit function (if such function exists), and others within the entity who, in the auditor's professional judgment, may have information that is likely to assist in identifying risks of material misstatement due to fraud or error?	AU-C 315.06				

			Totals:			0	0	0	(0 of 314 questions answered)
Question #	Question	Standard Reference	Yes	No	N/A	Comments			
	Analytical procedures?	AU-C 315.06							
	Observation and inspection?	AU-C 315.06							
3.5	During planning, did the auditor consider the results of the assessment of the risk of material misstatement due to fraud along with other information gathered in the process of identifying the risks of material misstatement?	AU-C 315.09							
3.6	Did the engagement partner and other key engagement team members discuss the susceptibility of the entity's financial statements to material misstatement and the application of the applicable financial reporting framework to the entity's facts and circumstances, and document the significant decisions reached, how and when the discussion occurred, and the audit team members who participated?	AU-C 315.11, .33a; ASLG 4.48							
3.7	In gaining an understanding of the entity and its environment, did the auditor obtain an understanding of, and document the key elements of, the following:	AU-C 315.12, .33b; ASLG 4.50							
	Relevant industry, regulatory, and other external factors, including the applicable financial reporting framework?	AU-C 315.12							
	The nature of the entity, including its operations and its governance structure?	AU-C 315.12							
	The entity's selection and application of accounting policies, including the reasons and changes thereto.	AU-C 315.12							
	The entity's objectives and strategies and those related business risks that may result in risks of material misstatement?	AU-C 315.12							
	The measurement and review of the entity's financial performance?	AU-C 315.12							
3.8	Did the auditor obtain an understanding of internal control relevant to the audit, including evaluating the design of those controls and determining whether they have been implemented by performing procedures in addition to inquiry of the entity's personnel?	AU-C 315.13-.14							
3.9	Did the auditor obtain an understanding of, and document the key elements of, the following components of internal control:	AU-C 315.15-.25, .33b; ASLG 4.54-.60							
	Control environment?	AU-C 315.15							
	Entity's risk assessment process?	AU-C 315.16-.18							
	Information system, including the related business processes relevant to financial reporting and communication?	AU-C 315.19-.20							
	Control activities relevant to the audit?	AU-C 315.21-.22							
	Monitoring of controls, including activities of any internal audit function?	AU-C 315.23-.25							
3.10	Did the auditor identify, assess, and document the risks of material misstatement at:	AU-C 315.26-.27, .33c							
	The financial statement level?	AU-C 315.26-.27, .33c							
	The relevant assertion level for classes of transactions, account balances, and disclosures?	AU-C 315.26-.27, .33c							
3.11	As part of the risk assessment process, did the auditor determine whether any of the risks identified were, in the auditor's professional judgment, risks that required special audit consideration (defined as "significant risks"), and did the auditor document those risks and related controls?	AU-C 315.28-.31, .33d; ASLG 4.64							
<b>Materiality in Planning and Performing an Audit</b>									
3.12	Did the auditor include in the audit documentation the following amounts and the factors considered in their determinations:	AU-C 320.10-.14							
	Materiality for each opinion unit?	AU-C 320.10							
	If applicable, the materiality level or levels for particular classes of transactions, account balances, or disclosures?	AU-C 320.10							
	Performance materiality?	AU-C 320.11							
	Any revision of items a through c as the audit progressed?	AU-C 320.12-.13							
<b>Performing Audit Procedures in Response to Assessed Risks and Evaluating the Audit Evidence Obtained</b>									
3.13	Did the auditor design and implement overall responses to address the assessed risks of material misstatement at the financial statement level?	AU-C 330.05; ASLG 4.65							
3.14	Did the auditor design and perform further audit procedures whose nature, timing, and extent are based on, and responsive to, the assessed risks of material misstatement at the relevant assertion level and in a manner that is not biased towards obtaining audit evidence that may be corroborative or towards excluding audit evidence that may be contradictory? Note: When evaluating audit evidence with respect to the assessed risks of material misstatement, the auditor maintains professional skepticism, including when considering information that may be used as audit evidence and what procedures would be appropriate in the circumstances.	AU-C 330.06; ASLG 4.66							
3.15	Did the auditor design and perform tests of controls to obtain sufficient appropriate audit evidence about the operating effectiveness of relevant controls if the auditor's assessment of risks of material misstatement at the relevant assertion level includes an expectation that the controls are operating effectively, or substantive procedures alone cannot provide sufficient appropriate audit evidence at the relevant assertion level?	AU-C 330.08; ASLG 4.93-.95							
3.16	If applicable, in designing and performing tests of controls, did the auditor perform other audit procedures in combination with inquiry to obtain audit evidence about the operating effectiveness of the controls, and determine whether the controls to be tested depend upon other controls?	AU-C 330.10							
3.17	If applicable, did the auditor test controls for the particular time or throughout the period for which the auditor intended to rely on those controls, in order to provide an appropriate basis for the auditor's intended reliance?	AU-C 330.11							
3.18	If the auditor relied on controls over a risk that the auditor determined was a significant risk, did the auditor test the operating effectiveness of those controls in the current period?	AU-C 330.15							
3.19	When evaluating the operating effectiveness of relevant controls, did the auditor evaluate whether misstatements detected by substantive procedures indicated that controls were not operating effectively?	AU-C 330.16							

			Totals:			(0 of 314 questions answered)
Question #	Question	Standard Reference	0	0	0	Comments
			Yes	No	N/A	
3.20	If deviations from controls on which the auditor was relying were detected, did the auditor make specific inquiries to understand the matters and their potential consequences and determine whether the tests of controls performed provided an appropriate basis for reliance on controls, additional tests of controls were necessary, or the potential risks of misstatement needed to be addressed using substantive procedures?	AU-C 330.17				
3.21	Did the auditor design and perform substantive procedures for all relevant assertions related to each material class of transactions, account balance, and disclosure?	AU-C 330.18				
3.22	Did the auditor use external confirmation procedures for accounts receivable, except when one or more of the following was applicable: the overall account balance was immaterial; external confirmation procedures for accounts receivable would be ineffective; or the auditor's assessed level of risk of material misstatement at the relevant assertion level is low, and the other planned substantive procedures address the assessed risks?	AU-C 330.20				
3.23	Did the auditor's substantive procedures include audit procedures related to the financial statement closing process?	AU-C 330.21				
3.24	If the auditor determined that an assessed risk of material misstatement at the relevant assertion level was a significant risk, did the auditor perform substantive procedures specifically responsive to that risk?	AU-C 330.22				
3.25	If the auditor performed substantive procedures at an interim date, did the auditor cover the remaining period by performing substantive procedures, combined with tests of controls for the intervening period, or if the auditor determined it was sufficient, further substantive procedures only, that provided a reasonable basis for extending the audit conclusions from the interim date to the period-end?	AU-C 330.23				
3.26	Did the auditor perform audit procedures to evaluate whether the overall presentation of the financial statements was in accordance with the applicable financial reporting framework?	AU-C 330.26				
3.27	Based on the audit procedures performed and the audit evidence obtained, did the auditor evaluate, before the conclusion of the audit, whether the assessments of the risks of material misstatement at the relevant assertion level remained appropriate?	AU-C 330.27				
3.28	Did the auditor conclude, by considering all audit evidence, regardless of whether it appears to corroborate or contradict the assertions in the financial statements, whether sufficient appropriate audit evidence has been obtained?	AU-C 330.28				
3.29	If the auditor used audit evidence about the operating effectiveness of controls obtained in a previous audit, did the auditor perform procedures to establish the continuing relevance of that evidence and document the conclusions reached about relying on such controls that were tested in a previous audit?	AU-C 330.13-.14, .31				
3.30	If the auditor did not use external confirmation procedures for accounts receivable when the account balance was material, did the auditor document the basis for this determination?	AU-C 330.32				
3.31	Did the auditor's documentation demonstrate that information in the financial statements agreed or reconciled with the underlying accounting records, including agreeing or reconciling disclosures, whether such information is obtained from within or outside of the general and subsidiary ledgers?	AU-C 330.33				
<b>Audit Considerations Relating to an Entity Using a Service Organization</b>						
3.32	If the entity uses a service organization, did the auditor:  Obtain an understanding of the nature and significance of the services provided by the service organization and their effect on the user entity's internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement?  Design and perform audit procedures responsive to those risks?	AU-C 402.09; ASLG 4.59 AU-C 402.09; ASLG 4.59 AU-C 402.09; ASLG 4.59				
<b>Evaluation of Misstatements Identified During the Audit</b>						
3.33	Did the auditor include in the audit documentation: The amount below which misstatements would be regarded as clearly trivial? All misstatements identified during the audit and whether they have been corrected The auditor's conclusion about whether uncorrected misstatements are material, individually or in the aggregate, and the basis for that conclusion?	AU-C 450.12 AU-C 450.05, .12 AU-C 450.05-.07, .12 AU-C 450.11-.12				
<b>4   AICPA Standards Relating to Audit Evidence</b>						
<b>Audit Evidence</b>						
4.1	Did the auditor evaluate information to be used as audit evidence by taking into account:  The relevance and reliability of the information, including its source, and Whether such information corroborates or contradicts assertions in the financial statements?	AU-C 500.07 AU-C 500.07 AU-C 500.07				
4.2	Did the auditor's evaluation of the information to be used as audit evidence in accordance with paragraph .07 include: Evaluating whether the information is sufficiently precise and detailed for the auditor's purposes and Obtaining audit evidence about the accuracy and completeness of the information, as necessary?	AU-C 500.08 AU-C 500.08 AU-C 500.08				
<b>Audit Evidence - Specific Considerations for Selected Items</b>						
4.3	If applicable, did the auditor obtain sufficient appropriate audit evidence regarding the:  Valuation of investments in securities and derivative instruments, including impairment losses and unrealized appreciation or depreciation? Existence and condition of inventory? Completeness of litigation, claims, and assessments involving the entity? Presentation and disclosure of segment information in accordance with the applicable financial reporting framework?	AU-C 501.03 AU-C 501A.07-.11 AU-C 501.12-.16 AU-C 501.17-.25 AU-C 501.26				
<b>Audit Evidence - Use of Management's Specialist</b>						
4.4	If information used as audit evidence was prepared using the work of a specialist with expertise in a field other than accounting and auditing (a management's specialist), did the auditor:  Evaluate the competence, capabilities, and objectivity of the specialist?	AU-C 501.27 AU-C 501.27				

			Totals:			0	0	0	(0 of 314 questions answered)
Question #	Question	Standard Reference	Yes	No	N/A	Comments			
	Obtain an understanding of the work of the specialist?	AU-C 501.27							
	Evaluate the appropriateness of the specialist's work as audit evidence for the relevant assertion?	AU-C 501.27							
<b>External Confirmations</b>									
4.5	If external confirmations were used in the audit, did the auditor maintain control over the external confirmation requests?	AU-C 505.07							
4.6	If management refused to allow the auditor to perform external confirmation procedures, did the auditor:	AU-C 505.08							
	Inquire about management's reasons for the refusal and see audit evidence about their validity and reasonableness?	AU-C 505.08							
	Evaluate the implications of management's refusal on the auditor's assessment of the relevant risks of material misstatement, including the risk of fraud, and on the nature, timing, and extent of other audit procedures?	AU-C 505.08							
	Perform alternative audit procedures designed to obtain relevant and reliable audit evidence?	AU-C 505.08							
4.7	If the auditor had doubts about the reliability of a response to a confirmation request, did the auditor obtain further audit evidence to resolve those doubts?	AU-C 505.10							
4.8	If the auditor determined that a response to a confirmation request was not reliable, did the auditor evaluate the implications on the assessment of the relevant risks of material misstatement, including the risk of fraud, and on the related nature, timing, and extent of other audit procedures?	AU-C 505.11							
4.9	If there were any nonresponses, did the auditor perform alternative audit procedures to obtain relevant and reliable audit evidence?	AU-C 505.12							
4.10	Did the auditor investigate exceptions to determine whether they are indicative of misstatements?	AU-C 505.14							
4.11	If the auditor used negative confirmation requests as the sole substantive audit procedure to address an assessed risk of material misstatement at the assertion level, were all of the following present:	AU-C 505.15							
	The auditor assessed the risk of material misstatement as low and obtained sufficient appropriate audit evidence regarding the operating effectiveness of controls relevant to the assertion?	AU-C 505.15							
	The population of items subject to negative confirmation procedures comprised a large number of small, homogeneous account balances, transactions or conditions?	AU-C 505.15							
	A very low exception rate was expected?	AU-C 505.15							
	The auditor was not aware of circumstances or conditions that would cause the recipients of negative confirmation requests to disregard such requests?	AU-C 505.15							
4.12	Did the auditor evaluate whether the results of the external confirmation procedures provided relevant and reliable audit evidence or whether further audit evidence was necessary?	AU-C 505.16							
<b>Opening Balances – Initial Audit Engagements, Including Reaudit Engagements (Note: This section does not apply when the auditor is the predecessor auditor)</b>									
4.13	Did the auditor obtain sufficient appropriate audit evidence about whether the opening balances contained misstatements that materially affected the current period's financial statements by:	AU-C 510.08							
	Determining whether the prior period's closing balances were correctly brought forward to the current period or were restated?	AU-C 510.08							
	Determining whether the opening balances reflected the application of appropriate accounting policies?	AU-C 510.08							
	Evaluating whether audit procedures performed in the current period provided evidence relevant to the opening balances?	AU-C 510.08							
4.14	If the auditor obtained audit evidence that the opening balances contained misstatements that could materially affect the current period's financial statements, did the auditor perform additional audit procedures as appropriate to determine the effect on the current period's financial statements?	AU-C 510.09							
4.15	If the auditor was unable to obtain sufficient appropriate audit evidence regarding the opening balances, did the auditor express a qualified opinion or disclaim an opinion on the financial statements?	AU-C 510.15							
4.16	If the auditor concluded that the opening balances contained a misstatement that materially affected the current period's financial statements, and the effect of the misstatement was not appropriately accounted for or adequately presented or disclosed, did the auditor express a qualified opinion or an adverse opinion, as appropriate?	AU-C 510.16							
4.17	If the auditor concluded that the current period's accounting policies were not consistently applied regarding opening balances, or a change in accounting policies was not appropriately accounted for or adequately presented or disclosed, did the auditor express a qualified opinion or an adverse opinion, as appropriate?	AU-C 510.17							
<b>Analytical Procedures</b>									
4.18	In designing and performing substantive analytical procedures, did the auditor:	AU-C 520.05, .08							
	Develop and document an expectation of recorded amounts or ratios and evaluate whether the expectation was sufficiently precise?	AU-C 520.05c, .08a							
	Determine the amount of any difference of recorded amounts from expected values that was acceptable without further investigation, and compare the recorded amounts, or ratios developed from recorded amounts, with the expectations?	AU-C 520.05d, .08b							
4.19	Did the auditor design and perform analytical procedures near the end of the audit that assisted in forming an overall conclusion about whether the financial statements were consistent with the auditor's understanding of the entity?	AU-C 520.06							
4.20	If the analytical procedures performed identified fluctuations or relationships that were inconsistent with other relevant information or that differed from expected values by a significant amount, did the auditor investigate such differences by inquiring of management and obtaining appropriate audit evidence relevant to management's responses and performing other audit procedures as necessary?	AU-C 520.07, .08c							
<b>Audit Sampling</b>									
4.21	Did the auditor determine a sample size sufficient to reduce sampling to an acceptably low level?	AU-C 530.07							

			Totals:			0	0	0	(0 of 314 questions answered)
Question #	Question	Standard Reference	Yes	No	N/A	Comments			
4.22	Did the auditor select items for the sample in such a way that the auditor could reasonably expect the sample to be representative of the relevant population, and likely provide the auditor with a reasonable basis for conclusions about the population?	AU-C 530.08							
4.23	If the auditor used audit sampling in the audit, did the auditor:	AU-C 530.12-.14							
	Investigate the nature and cause of any deviations or misstatements identified and evaluate their possible effect on the purpose of the audit procedures and on other areas of the audit?	AU-C 530.12							
	Project the results of audit sampling to the population?	AU-C 530.13							
	Evaluate the results of the sample, including sampling risk?	AU-C 530.14							
	Evaluate whether the use of audit sampling provided a reasonable basis for conclusions about the population that was tested?	AU-C 530.14							
<b>Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures</b>									
4.24	For those accounting estimates that gave rise to significant risks, does the audit documentation include the basis for the auditor's conclusions about the reasonableness of accounting estimates and their disclosure, and indicators of possible management bias, if any?	AU-C 540A.22							
<b>Related Parties</b>									
4.25	Did the auditor obtain an understanding of related party relationships and transactions and include in the audit documentation the names of the identified related parties and the nature of the related party relationships?	AU-C 550.30							
<b>Subsequent Events and Subsequently Discovered Facts</b>									
4.26	Did the auditor perform audit procedures designed to obtain sufficient appropriate audit evidence that all subsequent events that required adjustment of, or disclosure in, the financial statements were identified?	AU-C 560.09							
	Did those procedures cover the period from the date of the financial statements to the date of the auditor's report or as near as practicable thereto?	AU-C 560.10							
	If the auditor identified subsequent events that required adjustment of, or disclosure in, the financial statements, did the auditor determine whether each event was appropriately reflected in the financial statements?	AU-C 560.11							
4.27	If a subsequently discovered fact became known to the auditor before the report release date:	AU-C 560.12							
	Did the auditor discuss the matter with management, and where appropriate, those charged with governance?	AU-C 560.12							
	Did the auditor determine whether the financial statements needed revision, and if so, inquire how management intends to address the matter?	AU-C 560.12							
	If management revised the financial statements, did the auditor perform audit procedures necessary in the circumstances?	AU-C 560.13							
	If management did not revise the financial statements, and the auditor believed they needed to be revised, did the auditor modify the opinion?	AU-C 560.14							
4.28	If a subsequently discovered fact became known to the auditor after the report release date:	AU-C 560.15							
	Did the auditor discuss the matter with management, and where appropriate, those charged with governance?	AU-C 560.15							
	Did the auditor determine whether the financial statements needed revision, and if so, inquire how management intends to address the matter?	AU-C 560.15							
	If management revised the financial statements, did the auditor perform audit procedures necessary in the circumstances?	AU-C 560.16							
	If management did not revise the financial statements, and the auditor believed they needed to be revised:	AU-C 560.17							
	If the financial statements had not been made available to third parties, did the auditor notify management and those charged with governance not to make the financial statements available to third parties before the necessary revisions had been made and a new auditor's report on the revised financial statements had been provided?	AU-C 560.17							
	If the financial statements had been made available to third parties, did the auditor assess whether management took the appropriate steps to ensure that anyone in receipt of the audited financial statements was informed of the situation, including that the audited financial statements were not to be relied	AU-C 560.17							
<b>The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern</b>									
4.29	As part of performing risk assessment procedures, did the auditor consider whether there were conditions or events, considered in the aggregate, that raised substantial doubt about an entity's ability to continue as a going concern for a reasonable period of time, including determining whether management performed a preliminary evaluation of whether such conditions or events existed?	AU-C 570.12-.14							
4.30	Did the auditor inquire of management regarding its knowledge of conditions or events beyond the period of management's evaluation that may have an effect on the entity's ability to continue as a going concern?	AU-C 570.15							
4.31	If events or conditions identified, considered in the aggregate, raised substantial doubt about an entity's ability to continue as a going concern for a reasonable period of time, did the auditor perform the following additional audit procedures:	AU-C 570.16							
	Request management make an evaluation if management had not yet performed an evaluation?	AU-C 570.16							
	Evaluate management's plans in relation to its going concern evaluation, with regard to whether it was probable that management's plans could be effectively implemented, and that the plans would mitigate the relevant conditions or events that raised substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time?	AU-C 570.16							
	If the entity prepared a cash flow forecast, and analysis of the forecast was a significant factor in evaluating management's plans, evaluate the reliability of the underlying data generated to prepare the forecast and determine whether there was adequate support for the assumptions underlying the forecast, which included considering contradictory audit evidence?	AU-C 570.16							
	Consider whether any additional facts or information became available after the date on which management made its evaluation?	AU-C 570.16							

		Totals:			(0 of 314 questions answered)	
Question #	Question	Standard Reference	Yes	No	N/A	Comments
4.32	If the auditor believed, before consideration of management's plan, that substantial doubt existed about the entity's ability to continue as a going concern for a reasonable period of time, did the auditor request the following written representations from management:	AU-C 570.18				
	A description of management's plans intended to mitigate the adverse effects of conditions or events that indicated there was substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time and the probability that those plans could be effectively implemented	AU-C 570.18				
	That the financial statements disclosed all the matters of which management was aware that are relevant to the entity's ability to continue as a going concern for a reasonable period of time, including principal conditions or events and management's plans?	AU-C 570.18				
4.33	Unless all those charged with governance were involved in managing the entity, did the auditor communicate with those charged with governance regarding conditions and events, considered in the aggregate, that raised substantial doubt about an entity's ability to continue as a going concern for a reasonable period of time?	AU-C 570.28				
4.34	If conditions or events were identified that, when considered in the aggregate, raised substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time before consideration of management's plans, did the auditor document the following:	AU-C 570.32				
	The conditions or events that led the auditor to believe there was substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time?	AU-C 570.12, .32				
	The elements of management's plans that the auditor considered to be particularly significant to overcoming the conditions or events, considered in the aggregate, that raised substantial doubt about the entity's ability to continue as a going concern, if applicable?	AU-C 570.16b, .32				
	The audit procedures performed to evaluate the significant elements of management's plans and evidence obtained, if applicable?	AU-C 570.16, .32				
	The auditor's conclusion regarding whether substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time remained or was alleviated? If substantial doubt remained, did the auditor also document the possible effects of the conditions or events on the financial statements and the adequacy of the related disclosures? If substantial doubt was alleviated, did the auditor document the auditor's conclusion regarding the need for, and, if applicable, the adequacy of, disclosure of the principal conditions or events that initially caused the auditor to believe there was substantial doubt and management's plans that alleviated the substantial doubt?	AU-C 570.21-.22, .32				
	The auditor's conclusion with respect to the effects on the auditor's report?	AU-C 570.23-.27, .32				
<b>Written Representations</b>						
4.35	Did the auditor obtain from management, with appropriate responsibilities for the financial statements and knowledge of the matters concerned, written representations in the form of a representation letter addressed to the auditor regarding the following:	AU-C 580.21				
	Preparation and fair presentation of the financial statements?	AU-C 580.10, .21				
	Information provided and completeness of transactions?	AU-C 580.11, .21				
	Fraud?	AU-C 580.12, .21				
	Laws and regulations?	AU-C 580.13, .21				
	Uncorrected misstatements?	AU-C 580.14, .21				
	Litigation and claims?	AU-C 580.15, .21				
	Estimates?	AU-C 580.16, .21				
	Related party transactions?	AU-C 580.17, .21				
	Subsequent events?	AU-C 580.18, .21				
	Additional written representations about the financial statements?	AU-C 580.19, .21				
4.36	Was the date of the written representations as of the date of the auditor's report on the financial statements?	AU-C 580.20				
4.37	If the auditor had concerns about the competence, integrity, ethical values, or diligence of management or about management's commitment to, or enforcement of those, did the auditor determine the effect that such concerns had on the reliability of representations and audit evidence in general, and take appropriate action, including determining the possible effect on the opinion in the auditor's report?	AU-C 580.22-.24				
4.38	If management did not provide one or more of the written representations, did the auditor:	AU-C 580.26				
	Discuss the matter with management?	AU-C 580.26				
	Reevaluate the integrity of management and evaluate the effect this had on the reliability of representations and audit evidence in general?	AU-C 580.26				
	Take appropriate actions, including determining the possible effect on the opinion in the auditor's report?	AU-C 580.26				
<b>Consideration of Omitted Procedures After the Report Release Date</b>						
4.39	If subsequent to the report release date, the auditor became aware of an omitted procedure, did the auditor assess the effect of the omitted procedure on the auditor's ability to support the previously expressed opinion on the financial statements, and take appropriate action?	AU-C 585.06-.08				
<b>5   AICPA Standards Relating to Using the Work of Others</b>						
<b>Special Considerations – Audits of Group Financial Statements (Including the Work of Component Auditors)</b>						
5.1	Regarding acceptance and continuance of a group audit engagement, did the group engagement partner:	AU-C 600.14				
	Determine whether sufficient appropriate audit evidence could reasonably be expected to be obtained regarding the consolidation process and the financial information of the components on which to base the group audit opinion (Note: for this purpose, the engagement team should have obtained an understanding of the group, its components, and their environments that was sufficient to identify components that were likely to be significant components)?	AU-C 600.14				

		Totals:			(0 of 314 questions answered)		
Question #	Question	Standard Reference	0	0	0	Comments	
			Yes	No	N/A		
	Evaluate whether the group engagement team would be able to obtain sufficient appropriate audit evidence through the group engagement team's work or use of the work of component auditors (that is, through assuming responsibility for the work of component auditors or through making reference to the audit of a component auditor in the auditor's report), to act as the auditor of the group financial statements and report as such on the group financial statements?	AU-C 600.15					
	If applicable, evaluate the effect on the opinion on the group financial statements of restrictions imposed by management?	AU-C 600.16					
5.2	Did the group engagement team establish, and the group engagement partner review and approve, an overall group audit strategy and group audit plan including an assessment of the extent to which the group engagement team would use the work of component auditors and whether the auditor's report on the group financial statements would make reference to the audit of a component auditor?	AU-C 600.18-.19					
5.3	To understand the group, its components and their environments, did the group engagement team obtain an understanding that was sufficient to:	AU-C 600.20-.21					
	Confirm or revise its initial identification of components that were likely to be significant?	AU-C 600.21					
	Assess the risks of material misstatement of the group financial statements, whether due to fraud or error?	AU-C 600.21					
5.4	Did the group engagement team obtain an appropriate understanding of the component auditor, including:	AU-C 600.22-.23					
	Whether the component auditor understood and complied with the ethical requirements relevant to the group audit and, in particular, is independent?	AU-C 600.22					
	The component auditor's professional competence?	AU-C 600.22					
	The extent, if any, to which the group engagement team would be able to be involved in the work of the component auditor?	AU-C 600.22					
	Whether the group engagement team would be able to obtain information affecting the consolidation process from a component auditor?	AU-C 600.22					
	Whether a component auditor operated in a regulatory environment that actively oversees auditors?	AU-C 600.22					
5.5	Did the group engagement partner appropriately reference the audit of a component auditor only if:	AU-C 600.25					
	The component auditor performed an audit on the financial statements of the component in accordance with the relevant requirements of GAAS?	AU-C 600.25					
	The component auditor issued an auditor's report that was not restricted as to use?	AU-C 600.25					
5.6	If the component's financial statements were prepared using a different financial reporting framework from that used for the group financial statements, did the auditor make reference to the audit of the component auditor in the auditor's report on the group financial statements only if both of the following applied:	AU-C 600.26					
	The measurement, recognition, presentation, and disclosure criteria that were applicable to all material items in the component's financial statements under the financial reporting framework used by the component were similar to the criteria applicable to all material items in the group's financial statements under the financial reporting framework used by the group?	AU-C 600.26					
	The group engagement team obtained sufficient appropriate audit evidence for evaluating the appropriateness of the adjustments to convert the component's financial statements to the financial reporting framework used by the group without the need to assume responsibility for, and thus, be involved in, the work of the component auditor?	AU-C 600.26					
5.7	If the group engagement partner made reference to the audit of a component auditor in the auditor's report on the group financial statements, did the group engagement team obtain sufficient appropriate audit evidence with regard to such components?	AU-C 600.27					
5.8	If the group engagement partner made reference to the audit of a component auditor in the auditor's report on group financial statements, does the report clearly indicate:	AU-C 600.28					
	That the component was not audited by the auditor of the group financial statements but was audited by the component auditor?	AU-C 600.28					
	The magnitude of the portion of the financial statements audited by the component auditor?	AU-C 600.28					
	If the component auditor's financial statements were prepared using a different financial reporting framework from that of the group financial statements:	AU-C 600.28					
	The financial reporting framework used by the component and	AU-C 600.28					
	That the auditor of the group financial statements is taking responsibility for evaluating the appropriateness of the adjustments to convert the component's financial statements to the financial reporting framework used by the group?	AU-C 600.28					
	When the component auditor's report on the financial statements does not state that the audit of the component's financial statements was performed in accordance with GAAS, and the group engagement partner determined that the component auditor performed additional procedures in order to meet the relevant requirements of GAAS:	AU-C 600.28					
	The set of auditing standards used by the component auditor and	AU-C 600.28					
	That additional audit procedures were performed by the component auditor to meet the relevant requirements of GAAS?	AU-C 600.28					
5.9	If the group engagement partner named the component auditor in the auditor's report on the group financial statements was the:	AU-C 600.29					
	Component auditor's express permission obtained?	AU-C 600.29					
	Component auditor's report presented together with the auditor's report on the group financial statements?	AU-C 600.29					
5.10	If the opinion of the component auditor was modified or the report included an emphasis-of-matter or other-matter paragraph, did the auditor of the group financial statements determine the effect this would have on the report on the group financial statements?	AU-C 600.30					
5.11	If the group engagement partner assumed responsibility for work of the component auditor, did the group engagement partner refrain from making reference to the component auditor in the auditor's report on the group financial statements?	AU-C 600.31					
5.12	Regarding materiality, did the group engagement team determine the following:	AU-C 600.32					

		Totals:			0	0	0	(0 of 314 questions answered)
Question #	Question	Standard Reference	Yes	No	N/A	Comments		
	Materiality, including performance materiality, for the group financial statements as a whole when establishing the overall group audit strategy?	AU-C 600.32						
	Whether, in the specific circumstances of the group, particular classes of transactions, account balances, or disclosures in the group financial statements existed for which there was a substantial likelihood that misstatements of lesser amounts than materiality for the financial statements as a whole would influence the judgment made by a reasonable user based on the group financial statements?	AU-C 600.32						
	Component materiality for those components on which the group engagement team will perform, or for which the auditor of the group financial statements will assume responsibility for the work of a component auditor who performs, an audit or a review?	AU-C 600.32						
	The threshold above which misstatements cannot be regarded as clearly trivial to the group financial statements?	AU-C 600.32						
5.13	As part of responding to assessed risks, did the group engagement team test, or have a component auditor test on the group engagement team's behalf, the operating effectiveness of group-wide controls in those cases where the nature, timing, and extent of the work to be performed on the consolidation process or the financial information of the component was based on an expectation that group-wide controls were operating effectively or when substantive procedures alone could not provide sufficient appropriate audit evidence at the assertion level?	AU-C 600.33						
5.14	In the consolidation process, did the group engagement team:							
	Design and perform further audit procedures on the consolidation process to respond to the assessed risks of material misstatement of the group financial statements arising from the consolidation process, including evaluating whether all components were included in the group financial statements?	AU-C 600.35						
	Evaluate the appropriateness, completeness, and accuracy of consolidation adjustments and reclassifications and evaluate whether any fraud risk factors or indicators of possible management bias existed?	AU-C 600.36						
	Evaluate whether the financial information of the component (that has financial information prepared in accordance with different accounting policies than those applied to the group financial statements) has been appropriately adjusted for purposes of the preparation and fair presentation of the group financial statements in accordance with the applicable financial reporting framework?	AU-C 600.37						
	Determine whether the financial information identified in the component auditor's communication is the financial information that is incorporated in the group financial statements?	AU-C 600.38						
	Evaluate whether appropriate adjustments were made to the financial statements of a component that has a financial reporting period end that differs from that of the group?	AU-C 600.39						
5.15	Did the group engagement team or the component auditors perform procedures designed to identify events at those components that occurred between the dates of the financial information of the components and the date of the auditor's report on the group financial statements that may have required adjustment to, or disclosure in, the group financial statements?	AU-C 600.40						
5.16	Did the group engagement team communicate the following to the component auditor on a timely basis:	AU-C 600.41						
	A request that the component auditor, knowing the context in which the group engagement team will use the work of the component auditor, confirm that the component auditor will cooperate with the group engagement team?	AU-C 600.41						
	The ethical requirements relevant to the group audit and, in particular, the independence requirements?	AU-C 600.41						
	A list of related parties prepared by group management and any other related parties of which the group engagement team is aware, including the nature of the entity's relationships and transactions with those related parties?	AU-C 600.41						
	Identified significant risks of material misstatement of the group financial statements, due to fraud or error, that are relevant to the work of the component auditor?	AU-C 600.41						
5.17	Did the group engagement team request the component auditor to communicate the following matters relevant to the group engagement team's conclusion, with regard to the group audit:	AU-C 600.42						
	Whether the component auditor complied with ethical requirements relevant to the group audit, including independence and professional competence?	AU-C 600.42						
	Identification of the financial information of the component on which the component auditor was reporting?	AU-C 600.42						
	The component auditor's overall findings, conclusions, or opinion?	AU-C 600.42						
5.18	Did the group engagement team evaluate the component auditor's communication, and discuss significant findings and issues arising from that evaluation with the component auditor, component management, or group management, as appropriate?	AU-C 600.43						
5.19	Did the group engagement team evaluate whether sufficient appropriate audit evidence on which to base the group audit opinion was obtained from the audit procedures performed on the consolidation process and the work performed by the group engagement team and the component auditors on the financial information of the components?	AU-C 600.44						
5.20	Did the group engagement partner evaluate the effect on the group audit opinion of any uncorrected misstatements (either identified by the group engagement team or communicated by component auditors) and any instances in which there was an inability to obtain sufficient appropriate audit evidence?	AU-C 600.45						
5.21	Regarding communication with group management and those charged with governance:							
	Did the group engagement team communicate to group management and those charged with governance of the group material weaknesses and significant deficiencies in internal control relevant to the group (either identified by the group engagement team or brought to its attention by a component auditor during the audit)?	AU-C 600.46						
	If fraud was identified by the group engagement team or brought to its attention by a component auditor or information indicated that a fraud may exist, did the group engagement team communicate this on a timely basis to the appropriate level of group management?	AU-C 600.47						

		Totals:			(0 of 314 questions answered)	
Question #	Question	Standard Reference	0	0	0	Comments
			Yes	No	N/A	
	When the component auditor was engaged to express an audit opinion on the financial statements of a component, did the group engagement team request group management to inform component management of any matter of which the group engagement team became aware that may have been significant to the financial statements of the component, but of which component management might have been unaware?	AU-C 600.48				
	Did the group engagement team communicate the following additional matters to those charged with governance of the group:	AU-C 600.49				
	An overview of the type of work to be performed on the financial information of the components, including the basis for the decision to make reference to the audit of a component auditor in the auditor's report on the group financial statements?	AU-C 600.49				
	An overview of the nature of the group engagement team's planned involvement in the work to be performed by the component auditors on the financial information of significant components?	AU-C 600.49				
	Instances in which the group engagement team's evaluation of the work of a component auditor gave rise to a concern about the quality of that auditor's work?	AU-C 600.49				
	Any limitations on the group audit (for example, when the group engagement team's access to information may have been restricted)?	AU-C 600.49				
	Fraud or suspected fraud involving group management, component management, employees who have significant roles in group-wide controls, or others in which a material misstatement of the group financial statements has or may have resulted from fraud?	AU-C 600.49				
5.22	Did the group engagement team include the following in the audit documentation:	AU-C 600.50				
	An analysis of components indicating those that are significant and the type of work performed on the financial information of the components?	AU-C 600.50				
	Those components for which reference to the reports of component auditors is made in the auditor's report on the group financial statements?	AU-C 600.50				
	Written communications between the group engagement team and the component auditors about the group engagement team's requirements?	AU-C 600.50				
	For those components for which reference is made in the auditor's report on the group financial statements to the audit of a component auditor, the financial statements of the component and the report of the component auditor thereon?	AU-C 600.50				
5.23	In the case of an audit of the financial information of a component in which the auditor of the group financial statements assumed responsibility for the component auditor's work, did the group engagement team evaluate the appropriateness of performance materiality at the component level?	AU-C 600.51				
5.24	For components for which the auditor of the group financial statements assumed responsibility for the work of component auditors, did the group engagement team determine the type of work to be performed by the group engagement team or by component auditors on its behalf on the financial information of significant and non-significant components, and did the group engagement team also determine the nature, timing, and extent of its involvement in the work of component auditors?	AU-C 600.52-.56				
5.25	If the component auditor performed an audit or other specified audit procedures of the financial information of a significant component for which the auditor of the group financial statements assumed responsibility for the component auditor's work, was the group engagement team involved in the risk assessment of the component to identify significant risks of material misstatement of the group financial statements by performing, at a minimum, the following procedures:	AU-C 600.57				
	Discussing with the component auditor or component management the component's business activities of significance to the group?	AU-C 600.57				
	Discussing with the component auditor the susceptibility of the component to material misstatement of the financial information due to fraud or error?	AU-C 600.57				
	Reviewing the component auditor's documentation of identified significant risks of material misstatement of the group financial statements?	AU-C 600.57				
5.26	If significant risks of material misstatement of the group financial statements were identified in a component for which the auditor of the group financial statements assumed responsibility for the work of a component auditor, did the group engagement team evaluate the appropriateness of the further audit procedures performed to respond to the identified significant risks of material misstatement of the group financial statements?	AU-C 600.58				
5.27	If component auditors performed work other than audits of the financial information of components at the request of the group engagement team, did the group engagement team request the component auditors notify the group engagement team if they became aware of events at those components that occurred between the dates of the financial information of the components and the date of the auditor's report on the group financial statements that may require an adjustment to, or disclosure in, the group financial statements?	AU-C 600.59				
5.28	If the auditor of the group financial statements assumed responsibility for the work of a component auditor, did the group auditor communicate to the component auditor the items outlined in AU-C 600A.41 and component materiality and the threshold above which misstatements cannot be regarded as clearly trivial to the group financial statements?	AU-C 600.60				
5.29	If the auditor of the group financial statements assumed responsibility for the work of a component auditor, did the communication requested from the component auditor include the items required in paragraph AU-C 600A.42 and the following:	AU-C 600.61				
	Whether the component auditor complied with the group engagement team's requirements?	AU-C 600.61				
	Information on instances of noncompliance with laws or regulations at the component or group level that could give rise to a material misstatement of the group financial statements?	AU-C 600.61				
	Significant risks of material misstatement of the group financial statements, due to fraud or error, identified by the component auditor in the component and the component auditor's responses to such risks?	AU-C 600.61				
	A list of corrected and uncorrected misstatements of the financial information of the component (the list need not include misstatements that are below the threshold for clearly trivial misstatements communicated by the group engagement team)?	AU-C 600.61				

		Totals: 0 0 0			(0 of 314 questions answered)	
Question #	Question	Standard Reference	Yes	No	N/A	Comments
	Indicators of possible management bias regarding accounting estimates and the application of accounting principles?	AU-C 600.61				
	Description of any identified material weaknesses and significant deficiencies in internal control at the component level?	AU-C 600.61				
	Other significant findings and issues that the component auditor communicated or expected to communicate to those charged with governance of the component, including fraud or suspected fraud involving component management, employees who have significant roles in internal control at the component level, or others that resulted in a material misstatement of the financial information of the component?	AU-C 600.61				
	Any other matters that may be relevant to the group audit or that the component auditor wished to draw to the attention of the group engagement team, including exceptions noted in the written representations that the component auditor requested from component management?	AU-C 600.61				
5.30	If the group engagement team concluded that the work of a component auditor was insufficient, did the group engagement team determine additional procedures to be performed?	AU-C 600.63				
5.31	Did the group engagement team determine which material weaknesses and significant deficiencies in internal control, that component auditors brought to their attention, should be communicated to group management and those charged with governance of the group?	AU-C 600.64				
<b>Using the Work of Internal Auditors</b>						
<i>Using the Work of the Internal Audit Function in Obtaining Audit Evidence</i>						
5.32	If the external auditors planned to use the work of the internal audit function in obtaining audit evidence, did they communicate how they planned to use this work to those charged with governance in accordance with AU-C 260?	AU-C 610.19				
5.33	If the external auditors used the work of the internal audit function in obtaining audit evidence, did the external auditor evaluate and document the following:	AU-C 610.13, .33a				
	The extent to which the internal audit function's organizational status and relevant policies and procedures support the objectivity of the internal auditors?	AU-C 610.13, .33a				
	The level of competence of the internal audit function?	AU-C 610.13, .33a				
	The application by the internal audit function of a systematic and disciplined approach, including quality control?	AU-C 610.13, .33a				
5.34	If the external auditors used the work of the internal audit function in obtaining audit evidence, did the external auditor document the nature and extent of the work used (including the period covered by, and the results of, such work) and the basis for that decision?	AU-C 610.15-17, .33b				
5.35	If the external auditors used the work of the internal audit function in obtaining audit evidence, did the external auditor document the audit procedures performed to evaluate the adequacy of the work used, including the procedures performed by the external auditor to reperform some of the body of work of the internal audit function in obtaining audit evidence?	AU-C 610.20-24, .33c				
<i>Using Internal Auditors to Provide Direct Assistance</i>						
5.36	If the external auditors planned to use the internal auditors to provide direct assistance, did they communicate how they planned to use the assistance of internal auditors to those charged with governance in accordance with AU-C 260?	AU-C 610.28				
5.37	If the external auditors used the internal auditors to provide direct assistance on the audit, did the external auditors document the following:	AU-C 610.34				
	The evaluation of the existence and significance of threats to the objectivity of the internal auditors, as well as any safeguards applied to reduce or eliminate the threats, and the level of competence of the internal auditors used to provide direct assistance?	AU-C 610.25-26, .34				
	The basis for the decision regarding the nature and extent of the work performed by the internal auditors?	AU-C 610.27, .34				
	The nature and extent of the external auditor's review of the internal auditors' work (including the testing, by the external auditor, of some of the work performed by the internal auditors)?	AU-C 610.30-32, .34				
	The working papers prepared by the internal auditors who provided direct assistance on the audit engagement?	AU-C 610.34				
5.38	If the external auditors used either the work of the internal audit function in obtaining audit evidence or internal auditors to provide direct assistance, or both, did the external auditors document their evaluation of whether, either individually or in aggregate as applicable, using the work of the internal audit function in obtaining audit evidence and use of internal auditors to provide direct assistance resulted in the external auditor still being sufficiently involved in the audit, given the external auditor's sole responsibility for the audit opinion expressed?	AU-C 610.18, .29, .35				
<i>Using the Work of an Auditor's Specialist</i>						
5.39	If an auditor's specialist was used, did the auditor evaluate whether the specialist had the necessary competence, capabilities, and objectivity for the auditor's purposes?	AU-C 620A.09				
5.40	If an auditor's specialist was used in performing the audit did the auditor agree with the auditor's specialist regarding:	AU-C 620A.11				
	The nature, scope and objectives of the work of the auditor's specialist?	AU-C 620A.11				
	The respective roles and responsibilities of the auditor and the auditor's specialist?	AU-C 620A.11				
	The nature, timing, and extent of communication between the auditor and the auditor's specialist, including the form of any report to be provided by the auditor's specialist?	AU-C 620A.11				
	The need for the auditor's specialist to observe confidentiality requirements?	AU-C 620A.11				
5.41	If an auditor's specialist was used in performing the audit, did the auditor evaluate the adequacy of the work of the auditor's specialist for the auditor's purposes?	AU-C 620A.12				
5.42	Did the auditor refrain from referring to the work of an auditor's specialist if the report contained an unmodified opinion?	AU-C 620A.14				
5.43	If the auditor made reference to the work of an auditor's external specialist in the auditor's report because such reference was relevant to the understanding of a modification of the auditor's opinion, did the auditor indicate in the report that such reference does not reduce the auditor's responsibility for the opinion?	AU-C 620A.15				
<b>6   Additional GAGAS Requirements for Performing Financial Audits</b>						
<b>Auditor Communication</b>						

			Totals: 0 0 0			(0 of 314 questions answered)
Question #	Question	Standard Reference	Yes	No	N/A	Comments
6.1	Did the auditors communicate pertinent information that in the auditor's professional judgment needed to be communicated both to individuals contracting for or requesting the audit and to those legislative committees, if any, that have ongoing oversight responsibilities for the audited entity? (Note: this requirement does not apply if the law or regulation requiring an audit does not specifically identify the entities to be audited, such as audits required by the Single Audit Act Amendments of 1996.)	GAO 6.06				
6.2	If the identity of those charged with governance was not clearly evident, did the auditors document the process followed and conclusions reached in identifying the appropriate individuals to receive the required communications?	GAO 6.07				
<b>Results of Previous Engagements</b>						
6.3	During planning, did auditors ask management of the audited entity to identify previous audits, attestation engagements, and other studies that directly relate to the objectives of the audit, including whether related recommendations had been implemented?	GAO 6.11				
6.4	Did the auditors evaluate whether the audited entity took appropriate corrective action to address findings and recommendations from previous engagements that could have a significant effect on the subject matter?	GAO 6.11				
6.5	Did the auditors use the information obtained in the two previous questions in assessing risk and determining the nature, timing, and extent of current audit work and determining the extent to which testing the implementation of the corrective actions was applicable to the current audit objectives?	GAO 6.11				
<b>Investigations or Legal Proceedings</b>						
6.6	Did the auditors inquire of management of the audited entity whether any investigations or legal proceedings were initiated or in process with respect to the period under audit, and evaluate the effect of initiated or in-process investigations or legal proceedings on the current audit?	GAO 6.12				
<b>Noncompliance with Provisions of Laws, Regulations, Contracts, and Grant Agreements</b>						
6.7	Did the auditors extend the AICPA requirements concerning consideration of noncompliance with laws and regulations to include consideration of noncompliance with provisions of contracts or grant agreements?	GAO 6.15				
<b>Findings</b>						
6.8	If findings were identified, did the auditors plan and perform procedures to develop the criteria, condition, cause, and effect of the findings to the extent that these elements were relevant and necessary to achieve the audit objectives?	GAO 6.17				
6.9	Did the auditors consider internal control deficiencies in their evaluation of identified findings when developing the cause element of the identified findings?	GAO 6.18				
<b>Audit Documentation</b>						
6.10	Did the auditors document supervisory review, before the report release date, of the evidence that supported the findings and conclusions contained in the audit report?	GAO 6.31				
6.11	Did the auditors document any departures from the GAGAS requirements and the effect on the audit and on the auditors' conclusions if the audit was not in compliance with applicable GAGAS requirements because of law, regulation, scope limitations, restrictions on access to records, or other issues affecting the audit?	GAO 6.32				
<b>7   AICPA Standards Relating to Audit Conclusions and Reporting</b>						
<b>Forming an Opinion and Reporting on Financial Statements</b>						
7.1	Does the auditor's written report contain the following:	AU-C 700.21				
	A title that clearly indicates that it is the report of an independent auditor?	AU-C 700.22				
	An addressee, as appropriate, based on the circumstances of the engagement?	AU-C 700.23				
	A section with the heading "Opinion" (that is the first section of the auditor's report) that:	AU-C 700.24				
	Identifies the entity whose financial statements have been audited?	AU-C 700.25				
	States that the financial statements have been audited?	AU-C 700.25				
	Identifies the title of each statement that the financial statements comprise?	AU-C 700.25				
	Refers to the notes?					
	Specifies the dates of or periods covered by each financial statement that the financial statements comprise?	AU-C 700.25				
	Includes the auditor's opinion that states that (when expressing an unmodified opinion), in the auditor's opinion, the accompanying financial statements present fairly, in all material respects, [...] in accordance with [the applicable financial reporting framework], and identifies the applicable financial reporting framework and its origin?	AU-C 700.26- .27				
	A section, directly following the "Opinion" section, with the heading "Basis for Opinion," that does the following:	AU-C 700.28				
	States that the audit was conducted in accordance with generally accepted auditing standards and identifies the United States of America as the country of origin of those standards?	AU-C 700.28				
	Refers to the section of the auditor's report that describes the auditor's responsibilities under GAAS?	AU-C 700.28				
	Includes a statement that the auditor is required to be independent of the entity and to meet the auditor's other ethical responsibilities, in accordance with the relevant ethical requirements relating to the audit?	AU-C 700.28				
	States whether the auditor believes that the audit evidence the auditor has obtained is sufficient and appropriate to provide a basis for the auditor's opinion?	AU-C 700.28				
	When applicable, a section with the heading "Substantial Doubt About the Entity's Ability to Continue as a Going Concern" in accordance with AU-C 570.24?	AU-C 700.29				
	When applicable, a section with the heading "Key Audit Matters" in accordance with AU-C 701?	AU-C 700.30				
	A section with the heading "Responsibilities of Management for the Financial Statements" that describes management's responsibility for the following:	AU-C 700.31				

			Totals:			(0 of 314 questions answered)
Question #	Question	Standard Reference	0	0	0	Comments
			Yes	No	N/A	
	The preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.	AU-C 700.32				
	When required by the applicable financial reporting framework, the evaluation of whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern [for the time period set by the applicable financial reporting framework, as a section with the heading "Auditor's Responsibilities for the Audit of the Financial Statements" that:	AU-C 700.32				
	States that the objectives of the auditor are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes the auditor's opinion.	AU-C 700.34				
	States that reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists.	AU-C 700.35				
	States that the risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.	AU-C 700.35				
	States that misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.	AU-C 700.35				
	Further describes an audit by stating that, in performing an audit in accordance with GAAS, the auditor's responsibilities are to:	AU-C 700.36				
	Exercise professional judgment and maintain professional skepticism throughout the audit.	AU-C 700.36				
	Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.	AU-C 700.36				
	Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, no such opinion is expressed. (In circumstances in which the auditor also has a responsibility to express an opinion on the effectiveness of internal control in conjunction with the audit of the financial statements, the auditor should omit the following: "but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, no such opinion is expressed.")	AU-C 700.36				
	Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.	AU-C 700.36				
	Conclude whether, in the auditor's judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period.	AU-C 700.36				
	States that the auditor is required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that the auditor identified during the audit?	AU-C 700.37				
	When applicable, a section with the heading "Other Information" in accordance with AU-C 720.24?	AU-C 700.38				
	When applicable, a separate section with the heading, "Report on Other Legal and Regulatory Requirements" (or another heading that is appropriate to the content)? (Note: If the auditor's report contains a separate section that addresses other reporting responsibilities, the requirements of paragraphs AU-C 700.22-.37 should be included under a section with the heading "Report on the Audit of the Financial Statements." The "Report on Other Legal and Regulatory Requirements" should follow the section "Report on the Audit of the Financial Statements.")	AU-C 700.39-.40				
	The manual or printed signature of the audit organization? (Note: This section would not preclude a governmental auditor from including the personal name and signature of the auditor in the auditor's report when, in certain situations, the governmental auditor is required by law or regulation or chooses to do so.)	AU-C 700.41				
	The city and state where the auditor's report is issued?	AU-C 700.42				
	The appropriate date of the auditor's report?	AU-C 700.43				
7.2	In those cases where the auditor conducted the audit in accordance with another set of auditing standards in addition to GAAS (e.g., Government Auditing Standards) did the auditor's report identify the other set of auditing standards as well as their origin?	AU-C 700.44-.45				
7.3	If comparative financial statements were presented, did the auditor's report refer to each period for which financial statements were presented and on which an audit opinion was expressed?	AU-C 700.47				
7.4	If comparative financial statements were presented, and the auditor expressed an opinion on all periods presented, did the auditor update the report on the financial statements of the prior periods presented on a comparative basis with those of the current period and date the report appropriately?	AU-C 700.48				
7.5	If comparative information was presented but not covered by the auditor's opinion, did the auditor clearly indicate in the auditor's report the character of the auditor's work, if any, and the degree of responsibility the auditor is taking?	AU-C 700.49				
7.6	If comparative financial statements or comparative information was presented for the prior periods, did the auditor:	AU-C 700.51				

			Totals:			(0 of 314 questions answered)
Question #	Question	Standard Reference	Yes	No	N/A	Comments
	Determine whether the comparative financial statements or comparative information were presented in accordance with the relevant requirements, if any, of the applicable financial reporting framework?	AU-C 700.52				
	Evaluate whether:	AU-C 700.53				
	the comparative financial statements or comparative information agreed with the amounts and other disclosures presented in the prior period or, when appropriate, was restated for the correction of a material misstatement or adjusted for the retrospective application of an accounting principle?	AU-C 700.53				
	The accounting policies reflected in the comparative financial statements or comparative information were consistent with those applied in the current period or, if there were changes in accounting policies, whether those changes were properly accounted for and adequately presented and disclosed?	AU-C 700.53				
	Perform additional audit procedures as necessary in the circumstances to obtain sufficient appropriate audit evidence to determine whether a material misstatement existed in those cases where the auditor became aware of a possible material misstatement in the comparative financial statements or comparative information while performing the current period audit?	AU-C 700.54				
	Request written representations for all periods referred to in the auditor's opinion, including obtaining a specific written representation regarding any restatement made to correct a material misstatement in a prior period that affects the comparative financial statements?	AU-C 700.55				
7.7	If the auditor reported on prior period financial statements in connection with the current period's audit, and the auditor's opinion on the prior period financial statement differs from the opinion previously expressed, were the following matters disclosed in an emphasis-of-matter or other-matter paragraph: (Note: This question only applies if comparative financial statements were presented.)	AU-C 700.56				
	The date of the auditor's previous report?	AU-C 700.56				
	The type of opinion previously expressed?	AU-C 700.56				
	The substantive reasons for the different opinion?	AU-C 700.56				
	That the auditor's opinion on the amended financial statements is different from the auditor's previous opinion?	AU-C 700.56				
7.8	If the financial statements of the prior period were audited by a predecessor auditor, and the predecessor auditor's report on the prior period's financial statements was not reissued, in addition to expressing an opinion on the current period's financial statements, did the auditor state the following in an other-matter paragraph (Note: This question only applies if comparative financial statements were presented.):	AU-C 700.57				
	That the financial statements of the prior period were audited by a predecessor auditor?	AU-C 700.57				
	The type of opinion expressed by the predecessor auditor, and if the opinion was modified, the reasons therefore?	AU-C 700.57				
	The nature of an emphasis-of-matter paragraph or other-matter paragraph, or a going concern section included in the predecessor auditor's report, if any?	AU-C 700.57				
	The date of that report?	AU-C 700.57				
7.9	If the prior period financial statements were restated, and the predecessor auditor agreed to issue a new auditor's report on the restated financial statements of the prior period, did the auditor express an opinion only on the current period? (Note: This question only applies if comparative financial statements were presented.)	AU-C 700.58				
7.10	If the current period financial statements were audited and presented in comparative form with financial statements for the prior period for which a compilation or review was performed, and the report on the prior period was not reissued, did the auditor include an other-matter paragraph in the current period auditor's report that includes the following with respect to the prior period:	AU-C 700.59				
	The service performed in the prior period?	AU-C 700.59				
	The date of the report on that service?	AU-C 700.59				
	A description of any material modifications noted in that report?	AU-C 700.59				
	For a review engagement, a statement that the service was less in scope than an audit and does not provide the basis for the expression of an opinion on the financial statements as a whole?	AU-C 700.59				
	For a compilation engagement, a statement that no opinion or other form of assurance is expressed on the financial statements?	AU-C 700.59				
7.11	If the prior period financial statements were not audited, reviewed, or compiled, were the financial statements clearly marked to indicate their status, and did the auditor's report include an other-matter paragraph to indicate that the auditor did not audit, review, or compile the prior period financial statements and that the auditor assumes no responsibility for them? (Note: This question only applies if comparative financial statements were presented.)	AU-C 700.60				
<b>Communicating Key Audit Matters in the Independent Auditor's Report</b>						
<b>Note: This section is applicable only if the auditor was engaged to communicate key audit matters. If the auditor was NOT engaged to communicate key audit matters, please mark N/A.</b>						
7.11.a	Did the auditor determine, from the matters communicated with those charged with governance, those matters that required significant auditor attention in performing the audit?	AU-C 701.08				
7.11.b	Did the auditor determine which of the matters determined in accordance with AU-C 701.08 were of most significance and therefore are the key audit matters?	AU-C 701.09				
7.11.c	In communicating key audit matters, did the auditor describe each key audit matter in a separate section of the auditor's report under the heading "Key Audit Matters," unless the circumstances in AU-C 701.13-14 applied?	AU-C 701.10				
7.11.d	Did the "Key Audit Matters" section contain the required introductory language?	AU-C 701.10				
7.11.e	Did the description of each key audit matter in the "Key Audit Matters" section of the auditor's report include a reference to the related disclosures, if any, in the financial statements and address the following:	AU-C 701.12				
	Why the matter was considered to be one of most significance in the audit and therefore determined to be a key audit matter?	AU-C 701.12				
	How the matter was addressed in the audit?	AU-C 701.12				

			Totals: 0 0 0			(0 of 314 questions answered)
Question #	Question	Standard Reference	Yes	No	N/A	Comments
7.11.f	If the auditor determined that there were no key audit matters to communicate or that the only key audit matters communicated were those matters addressed by AU-C 701.14, did the auditor include a statement to this effect in a separate section of the auditor's report under the heading "Key Audit Matters"?	AU-C 701.15				
7.11.g	Did the auditor communicate with those charged with governance those matters the auditor determined to be the key audit matters, or if applicable, the auditor's determination that there were no key audit matters to communicate in the auditor's report?	AU-C 701.16				
7.11.h	Did the auditor include the following in the audit documentation:	AU-C 701.17				
	The matters that required significant auditor attention, and the rationale for the auditor's determination about whether or not each of the matters was a key audit matter?	AU-C 701.17				
	When applicable, the rationale for the auditor's determination that there were no key audit matters to communicate in the auditor's report or that the only key audit matters to communicate were those matters addressed by AU-C 701.14?	AU-C 701.17				
	When applicable, the rationale for the auditor's determination not to communicate in the auditor's report a matter determined to be a key audit matter?	AU-C 701.17				
<b>Modifications to the Opinion in the Independent Auditor's Report</b>						
7.12	Did the auditor appropriately express a qualified opinion if either of the following occurred?	AU-C 705.08				
	The auditor, having obtained sufficient appropriate audit evidence, concluded that misstatements, individually or in the aggregate, were material but not pervasive to the financial statements.	AU-C 705.08				
	The auditor was unable to obtain sufficient appropriate audit evidence on which to base the opinion, but the auditor concluded that the possible effects on the financial statements of undetected misstatements, if any, could be material but not pervasive.	AU-C 705.08				
7.13	Did the auditor appropriately express an adverse opinion if the auditor, having obtained sufficient appropriate audit evidence, concluded that misstatements, individually or in the aggregate, were both material and pervasive to the financial statements?	AU-C 705.09				
7.14	Did the auditor appropriately disclaim an opinion if the auditor was unable to obtain sufficient appropriate audit evidence on which to base the opinion, and the auditor concluded that the possible effects on the financial statements of undetected misstatements, if any, could be both material and pervasive?	AU-C 705.10				
7.15	If the auditor encountered a scope limitation imposed by management after the audit had started, did the auditor:	AU-C 705.11-.12				
	Request that management remove the limitation?	AU-C 705.11				
	Communicate the matter to those charged with governance if management refused to remove the limitation, and if appropriate, determine whether it was possible to perform alternative procedures to obtain sufficient appropriate audit evidence?	AU-C 705.12				
7.15.a	If the auditor was unable to obtain sufficient appropriate audit evidence, did the auditor:	AU-C 705.13				
	Qualify the opinion if the auditor concluded that the possible effects on the financial statements of undetected misstatements, if any, could be material but not pervasive?					
	Either disclaim an opinion on the financial statements or withdraw from the audit, when practicable, if the auditor concluded that the possible effects on the financial statements of undetected misstatements, if any, could be both material and pervasive?	AU-C 705.13				
	Communicate with those charged with governance, prior to withdrawal (if warranted), any matters regarding misstatements identified during the audit that would have given rise to a modification of the opinion?	AU-C 705.14				
7.16	If the auditor expressed an adverse opinion or a disclaimer of opinion on the financial statements as a whole, did the auditor refrain from issuing an unmodified opinion with respect to the same financial reporting framework on a single financial statement or one or more specific elements, accounts, or items of a financial statement? (Note: Because the auditor of a state and local government entity expresses an opinion or disclaims an opinion for each opinion unit, an auditor's report in these circumstances may include an unmodified opinion with respect to one or more opinion units and a modified opinion for one or more other opinion units.)	AU-C 705.15				
7.17	If the auditor was not independent, but was required by law or regulation to report on the financial statements, did the auditor disclaim an opinion and specifically state that the auditor was not independent? (Note: A government auditor may determine that the lack of independence only affects one or more, but not all, of the opinion units and, in such circumstances, the auditor may disclaim an opinion on the affected opinion units while expressing unmodified, qualified, or adverse opinions on other opinion units.)	AU-C 705.16				
7.18	If the auditor modified the audit opinion, did the auditor use the heading "Qualified Opinion," "Adverse Opinion," or "Disclaimer of Opinion," as appropriate, for the "Opinion" section?	AU-C 705.17				
7.19	If the auditor expressed a qualified opinion due to a material misstatement in the financial statements, did the auditor state that, in the auditor's opinion, except for the effects of the matters described in the "Basis for Qualified Opinion" section of the auditor's report, the accompanying financial statements present fairly, in all material respects, [...] in accordance with [the applicable financial reporting framework]?	AU-C 705.18				
7.20	If the modification arose from an inability to obtain sufficient appropriate audit evidence, did the auditor use the corresponding phrase "except for the possible effects of the matters..." for the modified opinion?	AU-C 705.18				
7.21	If the auditor expressed an adverse opinion, did the auditor state that, in the auditor's opinion, because of the significance of the matters described in the "Basis for Adverse Opinion" section of the auditor's report, the accompanying financial statements do not present fairly [...] in accordance with [the applicable financial reporting framework]?	AU-C 705.19				

			Totals:			(0 of 314 questions answered)
Question #	Question	Standard Reference	Yes	No	N/A	Comments
7.22	If the auditor disclaimed an opinion due to an inability to obtain sufficient appropriate audit evidence, did the auditor state that the auditor does not express an opinion on the accompanying financial statements; state that, because of the significance of the matters described in the "Basis for Disclaimer of Opinion" section of the auditor's report, the auditor has not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements; and amend the statement required by AU-C 700.25b, which indicates that the financial statements have been audited, to state that the auditor was engaged to audit the financial statements?	AU-C 705.20				
7.22.a	If the auditor modified the opinion on the financial statements, did the auditor do the following: Amend the heading "Basis for Opinion" required by AU-C 700.28 to "Basis for Qualified Opinion," "Basis for Adverse Opinion," or "Basis for Disclaimer of Opinion," as appropriate? Within this section of the auditor's report, include a description of the matter giving rise to the modification?	AU-C 705.21				
7.22.b	If there was a material misstatement of the financial statements that related to specific amounts in the financial statements (including quantitative disclosures), did the auditor include in the "Basis for Opinion" section a description and quantification of the financial effects of the misstatement; or, if not practicable to quantify the financial effects, did the auditor state that in the "Basis for Opinion" section?	AU-C 705.22				
7.22.c	If there was a material misstatement of the financial statements that related to qualitative disclosures, did the auditor include an explanation of how the disclosures are misstated in the "Basis for Opinion" section?	AU-C 705.23				
7.22.d	If there was a material misstatement of the financial statements that related to the omission of information required to be presented or disclosed, did the auditor discuss the omission of such information with those charged with governance; describe in the "Basis for Opinion" section the nature of the omitted information; and include the omitted information (provided that it was practicable to do so and the auditor had obtained sufficient appropriate audit evidence about the omitted information)?	AU-C 705.24				
7.22.e	If the modification resulted from an inability to obtain sufficient appropriate audit evidence, did the auditor include the reasons for that inability in the "Basis for Opinion" section?	AU-C 705.25				
7.23	If the auditor expressed a qualified or an adverse opinion, did the auditor amend the statement required by AU-C 700.28d about whether the audit evidence obtained is sufficient and appropriate to provide a basis for the auditor's opinion, to include the word "qualified" or "adverse" as appropriate?	AU-C 705.26				
7.23a	If the auditor expressed an adverse opinion or disclaimed an opinion on the financial statements, did the auditor describe the reasons for any other matters of which the auditor was aware that would have required a modification to the opinion, and the effects thereof, in the "Basis for Opinion" section?	AU-C 705.28				
7.24	If the auditor disclaimed an opinion on the financial statements due to an inability to obtain sufficient appropriate audit evidence, did the auditor amend the description of the auditor's responsibilities required by AU-C 700.35-.37 to include only the following: A statement that the auditor's responsibility is to conduct an audit of the entity's financial statements in accordance with auditing standards generally accepted in the United States of America and to issue an auditor's report? A statement that, however, because of the matters described in the "Basis for Disclaimer of Opinion" section of the auditor's report, the auditor was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements? A statement that the auditor is required to be independent and to meet other ethical responsibilities, in accordance with the relevant ethical requirements relating to the audit?	AU-C 705.29				
7.25	If the auditor expected to modify the opinion in the auditor's report, did the auditor communicate with those charged with governance the circumstances that led to the expected modification and the wording of the modification?	AU-C 705.31				
<b>Emphasis-of-Matter Paragraphs and Other-Matter Paragraphs in the Independent Auditor's Report</b>						
7.26	If the auditor included an emphasis-of-matter paragraph in the auditor's report, did the auditor: Include the paragraph within a separate section of the auditor's report with an appropriate heading. When key audit matters are communicated in the auditor's report, the heading should include the term "Emphasis of Matter." Include in the paragraph a clear reference to the matter being emphasized and to where relevant disclosures that fully describe the matter can be found in the financial statements? Indicate that the auditor's opinion is not modified with respect to the matter emphasized?	AU-C 706.09				
7.27	If the auditor included an other-matter paragraph in the auditor's report, did the auditor include the paragraph within a separate section with the heading "Other Matter" or other appropriate heading?	AU-C 706.11				
7.27.a	If the auditor expected to include an emphasis-of-matter or other-matter paragraph in the auditor's report, did the auditor communicate with those charged with governance regarding this expectation and the wording of the paragraph?	AU-C 706.12				
<b>Consistency of Financial Statements</b>						
7.28	Did the auditor evaluate whether the comparability of the financial statements between periods has been materially affected by a change in accounting principle or by adjustments to correct a material misstatement in previously issued financial statements?	AU-C 708.05				

Question #	Question	Standard Reference	Totals:			(0 of 314 questions answered)	Comments
			0	0	0		
			Yes	No	N/A		
7.29	If there was a change in accounting principle and the auditor concluded that it had a material effect on the financial statements, did the auditor (1) include an emphasis-of-matter paragraph in the auditor's report that describes the change in accounting principle and provides a reference to the entity's disclosure or (2) evaluate whether the accounting change results in a material misstatement and modify the opinion accordingly?	AU-C 708.07-.12					
7.30	If there were adjustments to correct a material misstatement in previously issued financial statements, did the auditor include an emphasis-of-matter paragraph in the auditor's report that included:	AU-C 708.13-.14					
	A statement that the previously issued financial statements have been restated for the correction of a material misstatement in the respective period?	AU-C 708.14					
	A reference to the entity's disclosure of the correction of the material misstatement?	AU-C 708.14					
7.31	If there was a material change in financial statement classification and the related disclosure, did the auditor evaluate it to determine whether such a change is either a change in accounting principle or an adjustment to correct a material misstatement in previously issued financial statements, and modify the auditor's report accordingly?	AU-C 708.16					
<b>The Auditor's Responsibilities Relating to Other Information included in Annual Reports</b>							
7.32	If there is other information in the document containing audited financial statements, did the auditor communicate with those charged with governance the auditor's responsibility with respect to the other information, the procedures performed relating to the other information, and the results?	AU-C 720.15					
7.33	If, after reading and considering the other information, a material inconsistency appeared to exist (or the other information appeared to be materially misstated), did the auditor discuss the matter with management and, if necessary, perform other procedures to conclude the following:	AU-C 720.19					
	Whether a material misstatement of the other information existed?	AU-C 720.19					
	Whether a material misstatement of the financial statements existed?	AU-C 720.19					
	Whether the auditor's understanding of the entity and its environment needed to be updated?	AU-C 720.19					
7.34	If the auditor concluded that the other information was materially misstated, did the auditor request management to correct the other information? If management agreed to make the correction, did the auditor determine that the correction had been made? If management refused to make the correction, did the auditor communicate the matter to those charged with governance and request that the correction be made?	AU-C 720.20					
7.34.a	If the auditor concluded that a material misstatement existed in other information obtained prior to the date of the auditor's report, and the other information was not corrected after communicating with those charged with governance, did the auditor consider the implications for the auditor's report and communicate to those charged with governance about how the auditor planned to address the material misstatement in the auditor's report; withhold the auditor's report; or withdraw from the engagement, when withdrawal is possible under applicable law or regulation?	AU-C 720.21					
7.34.b	If the auditor concluded that a material misstatement existed in other information obtained after the date of the auditor's report, did the auditor do the following:	AU-C 720.22					
	If the other information was corrected, perform the procedures necessary in the circumstances?	AU-C 720.22					
	If the other information was not corrected after communicating with those charged with governance, take appropriate action considering the auditor's legal rights and obligations to seek to have the uncorrected material misstatement appropriately brought to the attention of anyone in receipt of the financial statements and the auditor's report?	AU-C 720.22					
7.34.c	If other information was included in the auditor's report, did the auditor include a separate section in the auditor's report on the financial statements with the heading "Other Information" or other appropriate heading, and did it include the following:	AU-C 720.24					
	A statement that management is responsible for the other information?	AU-C 720.24					
	An identification of other information and a statement that the other information does not include the financial statements and the auditor's report thereon?	AU-C 720.24					
	A statement that the auditor's opinion on the financial statements does not cover the other information and that the auditor does not express an opinion or any form of assurance thereon?	AU-C 720.24					
	A statement that, in connection with the audit of the financial statements, the auditor is responsible to read the other information and consider whether a material inconsistency exists between the other information and the financial statements or the other information otherwise appears to be materially misstated?	AU-C 720.24					
	A statement that, if, based on the work performed, the auditor concludes that an uncorrected material misstatement of the other information exists, the auditor is required to describe it in the auditor's report?	AU-C 720.24					
	If the auditor has concluded that an uncorrected material misstatement of the other information exists, a statement that the auditor has concluded that an uncorrected material misstatement of the other information exists and a description of it in the auditor's report?	AU-C 720.24					
7.34.d	Did the auditor include in the audit documentation the procedures performed relating to the other information and a final version of the other information?	AU-C 720.26					
<b>Supplementary Information in Relation to Financial Statements as a Whole</b>							
	Did the auditor perform the following procedures to determine whether the supplementary information was fairly stated, in all material respects, in relation to the financial statements as a whole:	AU-C 725.05-.08					
7.35	Determined that the following conditions were met:	AU-C 725.05					
	The supplementary information was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements?	AU-C 725.05					
	The supplementary information relates to the same period as the financial statements?	AU-C 725.05					

				Totals: 0 0 0			(0 of 314 questions answered)
Question #	Question	Standard Reference	Yes	No	N/A	Comments	
	The financial statements were audited, and the auditor issued an audit report on those financial statements that contained neither an adverse opinion nor a disclaimer of opinion?	AU-C 725.05					
	The supplementary information accompanied the entity's audited financial statements, or such audited financial statements were made readily available by the entity?	AU-C 725.05					
7.36	Obtained the agreement of management that it acknowledges and understands its responsibility:	AU-C 725.06					
	For the preparation of the supplementary information in accordance with the applicable criteria?	AU-C 725.06					
	To provide the auditor with appropriate written representations?	AU-C 725.06					
	To include the auditor's report on the supplementary information in any document that contains the supplementary information and that indicates that the auditor has reported on such supplementary information?	AU-C 725.06					
	To present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report	AU-C 725.06					
7.37	Performed the following additional procedures using the same materiality level used in the audit of the financial statements:	AU-C 725.07					
	Inquired of management about the purpose of the supplementary information and the criteria used by management to prepare the supplementary information?	AU-C 725.07					
	Determined whether the form and content of the supplementary information complied with the applicable criteria?	AU-C 725.07					
	Obtained an understanding about the methods of preparing the supplementary information and determined whether the methods of preparing the supplementary information changed from those used in the prior period and, if the methods changed, the reasons for such changes?	AU-C 725.07					
	Compared and reconciled the supplementary information to the underlying accounting and other records used in preparing the financial statements or to the financial statements themselves?	AU-C 725.07					
	Inquired of management about any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information?	AU-C 725.07					
	Evaluated the appropriateness and completeness of the supplementary information, considering the results of the procedures performed and other knowledge obtained during the audit of the financial statements?	AU-C 725.07					
	Obtained appropriate written representations from management?	AU-C 725.07					
7.38	If information about subsequent events pertaining to supplementary information came to the auditor's attention prior to, or subsequent to, the release of the auditor's report on the financial statements under certain circumstances, did the auditor apply the relevant requirements pertaining to subsequent events and subsequently discovered facts?	AU-C 725.08					
7.39	If the entity presented the supplementary information with the financial statements, did the auditor report on the supplementary information in either (a) a separate section in the auditor's report on the financial statements with the heading "Supplementary Information," or other appropriate heading, or (b) in a separate report on the supplementary information. Did the supplementary information section in the auditor's report on the financial statements or separate report contain the following:	AU-C 725.09					
	A statement that the audit was conducted for the purpose of forming an opinion on the financial statements as a whole?	AU-C 725.09					
	A statement that the supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements?	AU-C 725.09					
	A statement that the supplementary information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements?	AU-C 725.09					
	A statement that the supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America?	AU-C 725.09					
	If the auditor issued an unmodified opinion on the financial statements and the auditor has concluded that the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole, a statement that, in the auditor's opinion, the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole?	AU-C 725.09					
	If the auditor issued a qualified opinion on the financial statements and the qualification has an effect on the supplementary information, a statement that, in the auditor's opinion, except for the effects on the supplementary information of (refer to the paragraph in the auditor's report explaining the qualification), such information is fairly stated, in all material respects, in relation to the financial statements as a whole?	AU-C 725.09					
7.40	If the audited financial statements were not presented with the supplementary information, did the auditor report on the supplementary information in a separate report and did the report include, in addition to the elements listed in the question above, a reference to the report on the financial statements, the date of that report, the nature of the opinion expressed on the financial statements, and any report modifications?	AU-C 725.10					
7.41	If the auditor's report on the audited financial statements contained an adverse opinion or a disclaimer of opinion and the auditor was engaged to report on whether supplementary information was fairly stated, in all material respects, in relation to such financial statements as a whole, did the auditor appropriately refrain from expressing an opinion on the supplementary information?	AU-C 725.11					

		Totals:			(0 of 314 questions answered)	
Question #	Question	Standard Reference	Yes	No	N/A	Comments
7.42	Is the auditor's report on the supplementary information dated appropriately (i.e., the report should not be dated prior to appropriate audit procedures being completed)?	AU-C 725.12				
7.43	If the auditor concluded that the supplementary information was materially misstated in relation to the financial statements as a whole, did the auditor:	AU-C 725.13				
	Discuss the matter with management and propose appropriate revisions to the supplementary information?	AU-C 725.13				
	Either modify the auditor's opinion on the supplementary information and describe the misstatement in the auditor's report, or withhold the auditor's separately issued report on the supplementary information, if management did not revise the supplementary information?	AU-C 725.13				
<b>Required Supplementary Information</b>						
7.44	Did the auditor apply the following procedures to required supplementary information accompanying the basic financial statements:	AU-C 730.05				
	Inquire of management about the methods of preparing the information, including:	AU-C 730.05				
	Whether it has been measured and presented in accordance with prescribed guidelines?	AU-C 730.05				
	Whether methods of measurement or presentation have been changed from those used in the prior period and the reasons for any such changes?	AU-C 730.05				
	Whether there were any significant assumptions or interpretations underlying the measurement or presentation of the information?	AU-C 730.05				
	Compare the information for consistency with:	AU-C 730.05				
	Management's responses to the foregoing inquiries?	AU-C 730.05				
	The basic financial statements?	AU-C 730.05				
	Other knowledge obtained during the audit of the basic financial statements?	AU-C 730.05				
	Obtain written representations from management:	AU-C 730.05				
	That it acknowledges its responsibility for the required supplementary information?	AU-C 730.05				
	About whether the required supplementary information is measured and presented in accordance with prescribed guidelines?	AU-C 730.05				
	About whether the methods of measurement or presentation have changed from those used in the prior period and, if so, the reasons for such changes?	AU-C 730.05				
	About any significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information?	AU-C 730.05				
7.45	Did the auditor inform those charged with governance if management contributed to the auditor's inability to conduct the audit procedures above?	AU-C 730.06				
7.46	If the entity presented all or some of the required supplementary information, did the auditor include a separate section in the auditor's report on the financial statements with the heading "Required Supplementary Information," or other appropriate heading, that included the following elements:	AU-C 730.07-.08				
	A statement that [identify the applicable financial reporting framework] require that the [identify the required supplementary information] be presented to supplement the basic financial statements?	AU-C 730.08				
	A statement that such information is the responsibility of management and, although not a part of the basic financial statements, is required by [identify designated accounting standards setter], who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context?	AU-C 730.08				
	If the auditor was able to complete the required audit procedures in AU-C 730.05:	AU-C 730.08				
	A statement that the auditor has applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to the auditor's inquiries, the basic financial statements, and other knowledge the auditor obtained during the audit of the basic financial statements?	AU-C 730.08				
	A statement that the auditor does not express an opinion or provide any assurance on the information because the limited procedures do not provide the auditor with sufficient evidence to express an opinion or provide any assurance?	AU-C 730.08				
	If the auditor was unable to complete the required audit procedures in AU-C 730.05:	AU-C 730.08				
	A statement that the auditor was unable to apply certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States because [state the reasons]?	AU-C 730.08				
	A statement that the auditor does not express an opinion or provide any assurance on the information?	AU-C 730.08				
	If some of the required supplementary information was omitted:	AU-C 730.08				
	A statement that management has omitted [description of the missing required supplementary information] that [identify the applicable financial reporting framework] require to be presented to supplement the basic financial statements?	AU-C 730.08				
	A statement that such missing information, although not a part of the basic financial statements, is required by [identify designated accounting standards setter], who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context?	AU-C 730.08				
	A statement that the auditor's opinion on the basic financial statements is not affected by the missing information?	AU-C 730.08				
	If the measurement or presentation of the required supplementary information departs materially from the prescribed guidelines, a statement that although the auditor's opinion on the basic financial statements is not affected, material departures from prescribed guidelines exist [describe the material departures from the applicable financial reporting framework]?	AU-C 730.08				

			Totals: 0 0 0			(0 of 314 questions answered)
Question #	Question	Standard Reference	Yes	No	N/A	Comments
	If the auditor had unresolved doubts about whether the required supplementary information was measured or presented in accordance with prescribed guidelines, a statement that although the auditor's opinion on the basic financial statements is not affected, the results of the limited procedures have raised doubts about whether material modifications should be made to the required supplementary information for it to be presented in accordance with guidelines established by [identify designated accounting standards, etc.].	AU-C 730.08				
7.47	If all of the required supplementary information is omitted, does the required supplementary information section in the auditor's report on the financial statements include the following:	AU-C 730.09				
	A statement that management has omitted [description of the missing required supplementary information] that [identify the applicable financial reporting framework] require to be presented to supplement the basic financial statements?	AU-C 730.09				
	A statement that such missing information, although not a part of the basic financial statements, is required by [identify designated accounting standards setter], who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context?	AU-C 730.09				
	A statement that the auditor's opinion on the basic financial statements is not affected by the missing information?	AU-C 730.09				
<b>8   Additional GAGAS Requirements for Reporting on Financial Audits</b>						
<b>Reporting Auditors' Compliance with GAGAS</b>						
8.1	Does the report include the appropriate GAGAS compliance statement, including appropriate disclosures when requirements are not followed?	GAO 2.17-2.19, 6.36				
<b>Reporting on Internal Control; Compliance with Provisions of Laws, Regulations, Contracts, and Grant Agreements; and Instances of Fraud</b>						
8.2	Did the auditors report on internal control and compliance with provisions of laws, regulations, contracts, or grant agreements regardless of whether they identified internal control deficiencies or instances of noncompliance?	GAO 6.39				
8.3	Did the auditors report as findings any significant deficiencies or material weaknesses in internal control over financial reporting that the auditors identified based on the engagement work performed?	GAO 6.40				
8.4	Does the report on internal control or compliance include the relevant information about noncompliance and fraud, if the auditors, based on sufficient, appropriate evidence, identified or suspected:	GAO 6.41				
	Noncompliance with provisions of laws, regulations, contracts or grant agreements that had a material effect on the financial statements or other financial data significant to the audit objectives?	GAO 6.41a				
	Fraud that was material, either quantitatively or qualitatively, to the financial statements or other financial data significant to the audit objectives?	GAO 6.41b				
8.5	Did the auditors include, either in the same or in separate report(s), a description of the scope of the auditors' testing of internal control over financial reporting and of compliance with provisions of laws, regulations, contracts, and grant agreements?	GAO 6.42				
8.6	Does the report(s) state whether the tests performed provided sufficient, appropriate evidence to support opinions on the effectiveness of internal control and on compliance with provisions of laws, regulations, contracts, and grant agreements?	GAO 6.42				
8.7	If separate reports (including separate reports bound in the same document) on internal control over financial reporting and on compliance with provisions of laws, regulations, contracts, and grant agreements were issued, does the audit report on the financial statements include a reference to those additional reports, and state that the reports on internal control over financial reporting and on compliance with provisions of laws, regulations, contracts, and grant agreements are an integral part of a GAGAS audit in considering the audited entity's internal control over financial reporting and compliance?	GAO 6.43				
8.8	If evidence was obtained or information otherwise came to the auditors' attention indicating that the following occurred, did the auditors communicate in writing to audited entity officials?	GAO 6.44				
	Identified or suspected noncompliance with provisions of laws, regulations, contracts or grant agreements that had an effect on the financial statements or other financial data significant to the audit objectives that was less than material but warranted the attention of those charged with governance.	GAO 6.44a				
	Identified or suspected instances of fraud that had an effect on the financial statements or other financial data significant to the audit objectives that were less than material but warranted the attention of those charged with governance.	GAO 6.44b				
<b>Presenting Findings in the Audit Report</b>						
8.9	In presenting findings, did the auditors develop the elements of the findings to the extent necessary to assist management or oversight officials of the audited entity in understanding the need for corrective action?	GAO 6.50				
8.10	With regard to reporting findings, did the auditors:	GAO 6.51				
	Place their findings in perspective by describing the nature and extent of the issues being reported and the extent of the work performed that resulted in the finding?	GAO 6.51				
	As appropriate, relate the instances identified to the population or the number of cases examined and quantify the results in terms of dollar value or other measures?	GAO 6.51				
<b>Reporting Findings Directly to Parties Outside the Audited Entity</b>						
8.11	If applicable, did the auditors report identified or suspected noncompliance with provisions of laws, regulations, contracts, and grant agreements and instances of fraud directly to parties outside the audited entity in the following two circumstances:	GAO 6.53				
	If the audited entity management failed to satisfy legal or regulatory requirements to report such information to external parties specified in law or regulation, did the auditors first communicate the failure to those charged with governance? If the audited entity still did not report this information to the specified external parties as soon as practicable after the auditors' communication with those charged with governance, did the auditors report the information directly to the specified external parties?	GAO 6.53a				

			Totals: 0 0 0			(0 of 314 questions answered)
Question #	Question	Standard Reference	Yes	No	N/A	Comments
	If the audited entity management failed to take timely and appropriate steps to respond to fraud or noncompliance with provisions of laws, regulations, contracts, and grant agreements that (1) was likely to have a material effect on the subject matter and (2) involved funding received directly or indirectly from a government agency, did the auditors first report management's failure to take timely and appropriate steps to those charged with governance? If the audited entity still did not take timely and appropriate steps as soon as practicable after the auditors' communication with those charged with governance, did the auditors report the audited entity's failure to take timely and appropriate steps directly to the funding agency?	GAO 6.53b				
8.12	Did the auditors obtain sufficient, appropriate evidence, such as confirmation from outside parties, to corroborate representations by management of the audited entity that it has reported such findings in accordance with the provisions of laws, regulations, or funding agreements? (Note: when auditors are unable to do so, they should report such information directly.)	GAO 6.55				
<b>Obtaining and Reporting Views of Responsible Officials</b>						
8.13	Did the auditors obtain and report the views of responsible officials of the audited entity concerning the findings, conclusions, and recommendations in the audit report, as well as planned corrective actions?	GAO 6.57				
8.14	If the auditors received written comments from the responsible officials, did the auditors include in their report a copy of the officials' written comments or a summary of the comments received?	GAO 6.58				
8.15	If the responsible officials provided oral comments only, did the auditors prepare a summary of the oral comments, provide a copy of the summary to the responsible officials to verify that the comments were accurately represented, and include a summary in their report?	GAO 6.58				
8.16	If the audited entity's comments were inconsistent or in conflict with the findings, conclusions, or recommendations in the draft report, did the auditors: Evaluate the validity of the audited entity's comments?	GAO 6.59				
	Explain in the report the reasons for disagreement, if the auditors disagreed with the comments?	GAO 6.59				
	Modify their report, as necessary, if the auditor found the comments valid and supported with sufficient, appropriate evidence?	GAO 6.59				
8.17	If the audited entity refused to provide comments or was unable to provide comments within a reasonable period of time, and the auditors issued the report without receiving the comments from the audited entity, did the auditors indicate in the report that the audited entity did not provide comments?	GAO 6.60				
<b>Reporting Confidential or Sensitive Information</b>						
8.18	If certain pertinent information was prohibited from public disclosure or was excluded from the report because of its confidential or sensitive nature, did the auditors disclose in the report that certain information was omitted and the circumstances that made the omission necessary?	GAO 6.63				
8.19	If circumstances called for omission of certain information from the report, did the auditors evaluate whether this omission could distort the audit results or conceal improper or illegal practices, and revise the report language as necessary to avoid report users drawing inappropriate conclusions from the information presented?	GAO 6.64				
8.20	If the audit organization was subject to public records laws, did the auditors determine whether public records laws could affect the availability of classified or limited use reports and determine whether other means of communicating with management and those charged with governance would be more appropriate?	GAO 6.65				
<b>Distributing Reports</b>						
8.21	If applicable, did the auditors document any limitation on report distribution?	GAO 6.70				
8.22	Was the audit report distributed to those charged with governance, to the appropriate audited entity officials, and to the appropriate oversight bodies or organizations requiring or arranging for the audits?	GAO 6.70				
8.23	Were copies of the report distributed, as appropriate, to other officials who have legal oversight authority or who may be responsible for acting on audit findings and recommendations, and to others authorized to receive such reports?	GAO 6.70				
<b>9   AICPA Standards Relating to Special Considerations</b>						
<b>Special Considerations – Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks (cash, tax, regulatory, contractual, or other basis of accounting)</b>						
9.1	If the engagement is an audit of special purpose financial statements, did the auditor obtain an understanding of: The purpose for which the financial statements are prepared?	AU-C 800.10				
	The intended users?	AU-C 800.10				
	The steps taken by management to determine that the applicable financial reporting framework is acceptable in the circumstances?	AU-C 800.10				
9.2	In an audit of special purpose financial statements, did the auditor obtain the agreement of management that it acknowledges and understands its responsibility to include all informative disclosures that are appropriate for the special purpose framework used to prepare the entity's financial statements including: A description of the special purpose framework, including a summary of significant accounting policies, and how the framework differs from GAAP?	AU-C 800.11				
	Informative disclosures similar to those required by GAAP, in the case of special purpose financial statements that contain items that are the same as, or similar to, those in financial statements prepared in accordance with GAAP?	AU-C 800.11				
	A description of any significant interpretations of the contract on which the special purpose financial statements are based, in the case of special purpose financial statements prepared in accordance with a contractual basis of accounting?	AU-C 800.11				
	Additional disclosures beyond those specifically required by the framework that may be necessary for the special purpose financial statements to achieve fair presentation?	AU-C 800.11				

			Totals: 0 0 0			(0 of 314 questions answered)
Question #	Question	Standard Reference	Yes	No	N/A	Comments
9.3	In an audit of special purpose financial statements, did the auditor evaluate whether the financial statements were suitably titled, included a summary of significant accounting policies, and adequately described how the special purpose framework differs from GAAP?	AU-C 800.15				
9.4	If the special purpose financial statements were prepared in accordance with a contractual basis of accounting, did the auditor evaluate whether the financial statements adequately described any significant interpretations of the contract on which the financial statements are based?	AU-C 800.17				
9.5	If the special purpose financial statements contain items that are the same as, or similar to, those in financial statements prepared in accordance with GAAP, did the auditor evaluate whether:	AU-C 800.18				
	The financial statements include informative disclosures similar to those required by GAAP?	AU-C 800.18				
	Additional disclosures, beyond those specifically required by the framework, related to matters that were not specifically identified on the face of the financial statements or other disclosures, are necessary for the financial statements to achieve fair presentation?	AU-C 800.18				
9.6	Does the auditor's report on special purpose financial statements include all of the required elements for the auditor's report including:	AU-C 800.19				
	A description of the purpose for which the financial statements are prepared or reference to a note in the special purpose financial statements that contains that information, when the financial statements are prepared in accordance with a regulatory or contractual basis of accounting, or an other basis of accounting that requires an alert that restricts the use of the auditor's report?	AU-C 800.19				
	A reference to management's responsibility for determining that the applicable financial reporting framework is acceptable in the circumstances, if management has a choice of financial reporting frameworks in the preparation of the special purpose financial statements?	AU-C 800.19				
9.7	If the special purpose financial statements are not prepared in accordance with a regulatory basis of accounting intended for general use, does the auditor's report on special purpose financial statements include an emphasis-of-matter paragraph under an appropriate heading that includes the following:	AU-C 800.20, .22				
	A statement that the financial statements are prepared in accordance with a special purpose framework?	AU-C 800.20				
	A reference to the note to the financial statements that describes that framework?	AU-C 800.20				
	A statement that the special purpose framework is a basis of accounting other than GAAP?	AU-C 800.20				
	When a description of the purpose for which the financial statements are prepared or a reference to a note in the special purpose financial statements that contains that information is required pursuant to AU-C 800.19a, a statement that, as a result, the financial statements may not be suitable for another purpose?	AU-C 800.20				
9.8	If the special purpose financial statements are not prepared in accordance with a regulatory basis of accounting intended for general use, does the auditor's report on special purpose financial statements include an other-matter paragraph, under an appropriate heading, that restricts the use of the auditor's report when the special purpose financial statements are prepared in accordance with:	AU-C 800.21-.22				
	A contractual basis of accounting?	AU-C 800.21				
	A regulatory basis of accounting?	AU-C 800.21				
	An other basis of accounting when required pursuant to AU-C 905.06a-b?	AU-C 800.21				
9.9	If the special purpose financial statements are prepared in accordance with a regulatory basis of accounting, and the special purpose financial statements together with the auditor's report are intended for general use, did the auditor:	AU-C 800.22				
	Refrain from including an emphasis-of-matter or other-matter paragraph and instead, express an opinion about whether the special purpose financial statements are presented fairly, in all material respects, in accordance with GAAP?	AU-C 800.22				
	In a separate paragraph, express an opinion about whether the financial statements are prepared in accordance with the special purpose framework?	AU-C 800.22				
9.10	If the auditor was required by law or regulation to use a specific layout, form, or wording of the auditor's report, does the auditor's report refer to GAAS only if the auditor's report includes the minimum elements required by GAAS?	AU-C 800.23				
<b>Special Considerations – Audits of Single Financial Statements and Specific Elements, Accounts, or Items of a Financial Statement</b>						
9.11	In the case of an audit of a single financial statement or a specific element of a financial statement, did the auditor obtain an understanding of:	AU-C 805.10				
	The purpose for which the single financial statement or specific element of a financial statement is prepared?	AU-C 805.10				
	The intended users?	AU-C 805.10				
	The steps taken by management to determine that the application of the financial reporting framework is acceptable in the circumstances?	AU-C 805.10				
9.12	In the case of an audit of a single financial statement, did the auditor determine materiality for the single financial statement being reported on rather than for the complete set of financial statements?	AU-C 805.14				
9.13	In the case of an audit of one or more specific elements of a financial statement, did the auditor determine materiality for each individual element reported on rather than the aggregate of all elements or the complete set of financial statements?	AU-C 805.14				
9.14	In forming an opinion and reporting on a single financial statement or a specific element of a financial statement, did the auditor properly comply with professional standards?	AU-C 805.15-.24				
<b>Reporting on Compliance with Aspects of Contractual Agreements or Regulatory Requirements in Connection with Audited Financial Statements</b>						
9.15	Did the auditor's report on compliance include a statement that nothing came to the auditor's attention that caused the auditor to believe that the entity failed to comply with specified aspects of the contractual agreements or regulatory requirements, insofar as they relate to accounting matters, only when:	AU-C 806.07				
	The auditor has not identified any instances of noncompliance?	AU-C 806.07				

		Totals: 0 0 0			(0 of 314 questions answered)	
Question #	Question	Standard Reference	Yes	No	N/A	Comments
	The auditor has expressed an unmodified or qualified opinion on the financial statements to which the applicable covenants of such contractual agreements or regulatory requirements relate?	AU-C 806.07				
	The applicable covenants or regulatory requirements relate to accounting matters that have been subjected to the audit procedures applied in the audit of financial statements?	AU-C 806.07				
9.16	If the auditor expressed an adverse opinion or disclaimed an opinion on the financial statements, did the auditor issue a report on compliance only if instances of noncompliance were identified?	AU-C 806.09				
9.17	Is the report on compliance in writing and provided in either a separate report or in one or more paragraphs included in the auditor's report on the financial statements?	AU-C 806.11				
9.18	If the auditor reported on compliance in a separate report, does the report include the following:	AU-C 806.12				
	A title that includes the word independent to clearly indicate that it is the report of an independent auditor?	AU-C 806.12				
	An appropriate addressee?	AU-C 806.12				
	A paragraph that states that the financial statements were audited in accordance with generally accepted auditing standards and an identification of the United States of America as the country of origin of those standards (for example, auditing standards generally accepted in the United States of America or U.S. generally accepted auditing standards) and the date of the auditor's report on those financial statements?	AU-C 806.12				
	A statement describing the nature of the modification in those cases where the auditor expressed a modified opinion on the financial statements?	AU-C 806.12				
	When no instances of noncompliance were identified by the auditor, a reference to the specific covenants or paragraphs of the contractual agreement or regulatory requirement and a statement that nothing came to the auditor's attention that caused the auditor to believe that the entity failed to comply with specified aspects of the contractual agreements or regulatory requirements, insofar as they relate to accounting matters?	AU-C 806.12				
	When instances of noncompliance were identified by the auditor, a reference to the specific covenants or paragraphs of the contractual agreement or regulatory requirement, insofar as they relate to accounting matters, and a description of the identified instances of noncompliance?	AU-C 806.12				
	A statement that the report is being provided in connection with the audit of the financial statements?	AU-C 806.12				
	A statement that the audit was not directed primarily toward obtaining knowledge regarding compliance, and accordingly, had the auditor performed additional procedures, other matters may have come to the auditor's attention regarding noncompliance with the specific covenants or paragraphs of the contractual agreement or regulatory requirement, insofar as they relate to accounting matters?	AU-C 806.12				
	A paragraph that includes a description and the source of significant interpretations, if any, made by the entity's management relating to the provisions of the relevant contractual agreement or regulatory requirement?	AU-C 806.12				
	A paragraph that includes an appropriate alert regarding restrictions on the use of the auditor's written communication?	AU-C 806.12				
	The manual or printed signature of the auditor organization and the city and state where the auditor practices?	AU-C 806.12				
	The date of the report (which should be the same date as the auditor's report on the financial statements)?	AU-C 806.12				
9.19	If the report on compliance is included in the auditor's report on the financial statements, does the auditor's report include an other-matter paragraph that includes a reference to the specific covenants or paragraphs of the contractual agreement or regulatory requirement, insofar as they relate to accounting matters, and also include the following:	AU-C 806.13				
	If no instances of noncompliance were identified by the auditor, a statement that nothing came to the auditor's attention that caused the auditor to believe that the entity failed to comply with specified aspects of the contractual agreements or regulatory requirements, insofar as they relate to accounting matters?	AU-C 806.13				
	If instances of noncompliance were identified by the auditor, a description of the identified instances of noncompliance?	AU-C 806.13				
	A statement that the communication is being provided in connection with the audit of the financial statements?	AU-C 806.13				
	A statement that the audit was not directed primarily toward obtaining knowledge regarding compliance, and accordingly, had the auditor performed additional procedures, other matters may have come to the auditor's attention regarding noncompliance with the specific covenants or paragraphs of the contractual agreement or regulatory requirement, insofar as they relate to accounting matters?	AU-C 806.13				
	A paragraph that includes a description and the source of significant interpretations, if any, made by the entity's management relating to the provisions of the relevant contractual agreement or regulatory requirement?	AU-C 806.13				
	A paragraph that includes an appropriate alert regarding restrictions on the use of the auditor's written communication?	AU-C 806.13				
<b>10   AICPA Standards Relating to Special Considerations in the United States</b>						
<b>Alert that Restricts the Use of the Auditor's Written Communication (note: for engagements conducted in accordance with Government Auditing Standards, skip questions 10.1-10.4 and answer question 10.5)</b>						
10.1	Did the auditor's written communication include an alert, in a separate paragraph, that restricts its use if the subject matter of the auditor's written communication was based on:	AU-C 905.06				
	Measurement or disclosure criteria that are determined by the auditor to be suitable only for a limited number of users who can be presumed to have an adequate understanding of the criteria?	AU-C 905.06				
	Measurement or disclosure criteria that are available only to the specified parties?	AU-C 905.06				
	Matters identified by the auditor during the course of the audit engagement when the identification of such matters is not the primary objective of the audit engagement (commonly referred to as a by-product report)?	AU-C 905.06				

			Totals:			0	0	0	(0 of 314 questions answered)
Question #	Question	Standard Reference	Yes	No	N/A	Comments			
10.2	Did the alert that restricts the use of the auditor's written communication: State that the auditor's written communication is intended solely for the information and use of the specified parties? Identify the specified parties for whom use is intended?	AU-C 905.07 AU-C 905.07							
	State that the auditor's written communication is not intended to be and should not be used by anyone other than the specified parties?	AU-C 905.07 AU-C 905.07							
10.3	If the auditor included an alert that restricted the use of the written communication but was later requested to add other specified parties, did the auditor obtain written acknowledgement from the other parties of their understanding of: The nature of the engagement resulting in the auditor's written communication? The measurement or disclosure criteria related to the subject matter of the auditor's written communication? The auditor's written communication?	AU-C 905.08-.09 AU-C 905.08-.09 AU-C 905.08-.09							
10.4	If other parties are added after the release of the auditor's written communication, did the auditor also take one of the following actions: Amend the auditor's written communication to add the other parties (note: the original date of the auditor's written communication should not be changed in such circumstances)? Provide a written acknowledgment to management and the other parties that such parties have been added as specified parties and that no procedures were performed subsequent to the original date of the auditor's written communication or the date that the engagement was completed, as appropriate?	AU-C 905.10 AU-C 905.10 AU-C 905.10							
10.5	If the engagement was conducted in accordance with Government Auditing Standards and the auditor's written communication pursuant to that engagement was issued in accordance with AU-C 265 (Communicating Internal Control Related Matters Identified in an Audit), AU-C 806 (Reporting on Compliance with Aspects of Contractual Agreements or Regulatory Requirements in Connection with Audited Financial Statements) or AU-C 935A (Compliance Audits), did the auditor's written communication: Describe the purpose of the auditor's written communication? State that the auditor's written communication is not suitable for any other purpose?	AU-C 905.11 AU-C 905.11 AU-C 905.11							
<b>NOTE: Questions 10.6 through 10.12 do not need to be answered here if a Single Audit was performed. Instead, complete the Appendix A (Single Audit) checklist.</b>									
10.6	For compliance audits, did the auditor: Establish, apply and document materiality levels for the compliance audit based on the governmental audit requirement? Determine which government programs and compliance requirements to test (i.e., the applicable compliance requirements) in accordance with the governmental audit requirement? Perform and document risk assessment procedures, including inquiries of management, to obtain a sufficient understanding of the applicable compliance requirements and the entity's internal control over compliance with each of the government programs and applicable compliance requirements that are selected for testing? Identify, assess and document the risks of material noncompliance whether due to fraud or error for each applicable compliance requirement and consider whether any of those risks are pervasive to the entity's compliance because they may affect the entity's compliance with many compliance requirements? Perform and document further audit procedures in response to assessed risks in those cases where the auditor identifies risks of material noncompliance that are pervasive to the entity's compliance? Request and obtain from management written representations that are tailored to the entity and the governmental audit requirement? Perform audit procedures up to the date of the auditor's report to obtain sufficient appropriate audit evidence that all subsequent events related to the entity's compliance during the period covered by the auditor's report on compliance have been identified? Evaluate the sufficiency and appropriateness of the audit evidence obtained and form an opinion, at the level specified by the governmental audit requirement, on whether the entity complied in all material respects with the applicable compliance requirements?	AU-C 935.13, .42 AU-C 935.14 AU-C 935.15-.16, .39 AU-C 935.17, .41 AU-C 935.18-.20, .41 AU-C 935.23 AU-C 935.25-.27 AU-C 935.28-.29							
10.7	Was the auditor's combined report on compliance and internal control over compliance in writing, and did it include the following? A title that clearly indicates that it is the report of an independent auditor. An addressee, as appropriate, based on the circumstances of the engagement. The report on compliance, presented before the report on internal control over compliance, with the heading "Report on Compliance". The first section of the auditor's report on compliance including the auditor's opinion and section with a heading that includes the word "Opinion" and indicates the reporting level pursuant to the governmental audit requirement. The "Opinion" section of the auditor's report should also do the following: State that the entity's compliance with the applicable compliance requirements has been audited. Identify the applicable compliance requirements or include a reference to where they can be found. Identify the one or more government programs covered by the compliance audit or reference to a separate schedule containing that information. Specify the period covered by the report. When expressing an unmodified opinion, state that, in the auditor's opinion, the entity complied, in all material respects, with the compliance requirements that are applicable to [indicate the reporting level pursuant to the governmental audit requirement] for the [specify the period covered by the report]. Directly following the "Opinion" section, a section of the auditor's report on compliance with the heading, "Basis for Opinion," that does the following:	AU-C 935.30 AU-C 935.30 AU-C 935.30 AU-C 935.30 AU-C 935.30 AU-C 935.30 AU-C 935.30 AU-C 935.30 AU-C 935.30 AU-C 935.30							

		Totals:			(0 of 314 questions answered)	
Question #	Question	Standard Reference	0	0	0	Comments
			Yes	No	N/A	
	States that the audit of compliance was conducted in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and the governmental audit requirement.	AU-C 935.30				
	Refers to the section of the auditor's report that describes the auditor's responsibilities under GAAS, Government Auditing Standards, and the governmental audit requirement.	AU-C 935.30				
	Includes a statement that the auditor is required to be independent of the entity and to meet the auditor's other ethical responsibilities in accordance with the relevant ethical requirements relating to the audit.	AU-C 935.30				
	States whether the auditor believes that the audit evidence the auditor has obtained is sufficient and appropriate to provide a basis for the auditor's opinion.	AU-C 935.30				
	States that the compliance audit does not provide a legal determination of the entity's compliance with the applicable compliance requirements.	AU-C 935.30				
	A section of the auditor's report on compliance with the heading "Responsibilities of Management for Compliance." This section of the auditor's report should describe management's responsibility for compliance with the applicable compliance requirements and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the entity's government programs. If the document containing the auditor's report contains a separate statement by management about its responsibility for the applicable compliance requirements, the auditor's report should not include a reference to such statement by management.	AU-C 935.30				
	A section of the auditor's report on compliance with the heading "Auditor's Responsibilities for the Audit of Compliance." This section of the auditor's report should do the following:	AU-C 935.30				
	State that the objectives of the auditor are to:	AU-C 935.30				
	Obtain reasonable assurance about whether material noncompliance with the applicable compliance requirements occurred, whether due to fraud or error.	AU-C 935.30				
	Express an opinion on the entity's compliance with the applicable compliance requirements based on the compliance audit.	AU-C 935.30				
	State that reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the governmental audit requirement will always detect material noncompliance when it exists.	AU-C 935.30				
	State that the risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.	AU-C 935.30				
	State that noncompliance with the applicable compliance requirements is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the entity's compliance with the requirements of the government program as a whole.	AU-C 935.30				
	Describe an audit by stating that, in performing an audit in accordance with GAAS, Government Auditing Standards, and [insert the name of the governmental audit requirement or program-specific audit guide] the auditor's responsibilities are to:	AU-C 935.30				
	Exercise professional judgment and maintain professional skepticism throughout the audit.	AU-C 935.30				
	Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the entity's compliance with applicable compliance requirements and performing such other procedures as the auditor considered necessary in the circumstances.	AU-C 935.30				
	Obtain an understanding of the entity's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with [the governmental audit requirement], but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over compliance.	AU-C 935.30				
	State that the auditor is required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that the auditor identified during the audit.	AU-C 935.30				
	If noncompliance that does not result in a modified opinion but is required to be reported by the governmental audit requirement is identified, the auditor's report should include an other-matter paragraph, in a separate section with the heading "Other Matter" or another appropriate heading, that includes a description of such noncompliance or a reference to a description of such noncompliance in an accompanying schedule.	AU-C 935.30				
	A section of the auditor's combined report on compliance and internal control over compliance with the heading "Report on Internal Control Over Compliance" that does the following:	AU-C 935.30				
	Includes the definitions of deficiency in internal control over compliance, material weakness in internal control over compliance, and significant deficiency in internal control over compliance.	AU-C 935.30				

			Totals:			0	0	0	(0 of 314 questions answered)
Question #	Question	Standard Reference	Yes	No	N/A	Comments			
	States that the auditor's consideration of the entity's internal control over compliance was for the limited purpose described in the "Auditor's Responsibilities for the Audit of Compliance" and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Therefore, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.	AU-C 935.30							
	Describes any identified material weaknesses and significant deficiencies in internal control over compliance or a reference to an accompanying schedule containing such a description.	AU-C 935.30							
	If no material weaknesses in internal control over compliance were identified, includes a statement to that effect.	AU-C 935.30							
	States that the audit was not designed for the purpose of expressing an opinion on the effectiveness of the entity's internal control over compliance. Accordingly, no such opinion is expressed.	AU-C 935.30							
	If the criteria used to evaluate compliance are established or determined by contractual agreement or regulatory provisions that are developed solely for the parties to the agreement or regulatory provisions responsible for the provisions or available only to the specified parties, an alert describing the purpose of the auditor's report on compliance and internal control over compliance and that the report is not suitable for any other purpose.	AU-C 935.30							
	The manual or printed signature of the audit organization?	AU-C 935.30							
	The city and state where the auditor's report is issued?	AU-C 935.30							
	The date of the auditor's report? The auditor's report should be dated no earlier than the date on which the auditor has obtained sufficient appropriate audit evidence on which to base the auditor's opinion on compliance, including evidence that management has asserted that it has identified the entity's government programs and has taken responsibility for understanding and complying with the compliance requirements.	AU-C 935.30							
10.8	If the auditor issued separate reports on compliance and internal control over compliance, did the separate report on compliance omit the elements related to internal control over compliance (paragraph 935.30)? Did the separate report on internal control over compliance omit the elements related to compliance (paragraph 935.30c-h) and include the following additional statements?	AU-C 935.31							
	A statement that the auditor audited the entity's compliance with applicable compliance requirements pertaining to [identify the government program or programs and the period audited] and a reference to the auditor's report on compliance?	AU-C 935.31							
	A statement that the compliance audit was conducted in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in <i>Government Auditing Standards</i> issued by the Comptroller General of the United States, and the governmental audit requirement.	AU-C 935.31							
	A statement that management is responsible for designing, implementing, and maintaining effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to government programs.	AU-C 935.31							
	A statement that in planning and performing the compliance audit, the auditor considered the entity's internal control over compliance with the applicable compliance requirements to determine the auditing procedures for the purpose of expressing an opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance.	AU-C 935.31							
	A statement that the auditor is not expressing an opinion on internal control over compliance.	AU-C 935.31							
10.9	If noncompliance resulted in a modified opinion, did the "Basis for Opinion" section (with an appropriately modified heading) include a description of such noncompliance, or a reference to a description of such noncompliance in an accompanying schedule, and a statement that compliance with such requirements is necessary, in the auditor's opinion, for the entity to comply with the applicable compliance requirements.	AU-C 935.35							
10.10	Did the auditor modify the report on compliance and internal control over compliance if the auditor made reference to another auditor as the basis, in part, for the auditor's report?	AU-C 935.36							
10.11	Did the auditor communicate to those charged with governance an overview of the planned scope and timing of the compliance audit, and any significant deficiencies and material weaknesses in internal control over compliance that the auditor identified during the compliance audit?	AU-C 935.38							
10.12	If the auditor reissued the auditor's report, did the reissued report include an other-matter paragraph stating that the report is replacing a previously issued report and describing the reasons why the report is being reissued, and any changes from the previously issued report?	AU-C 935.44							



**NASACT**

National Association of State  
**Auditors, Comptrollers  
and Treasurers**

Appendix A | Single Audits | Coversheet

Audit Organization Under Review

Audit Under Review

Person(s) Who Completed This Form

External Peer Review Team Leader

Date

Audit Period

Number of Major Programs

Major Programs Evaluated in Review

Supplemental Guide

**Purpose**

*This guide is a supplement to the engagement guide and is to be used for those audits designed to meet the requirements of the Single Audit Act Amendments of 1996 and the Uniform Guidance. It is to be used to evaluate whether such audits were conducted in accordance with applicable standards and requirements.*

**Description**

*This supplemental guide is to be used in conjunction with an engagement guide. The questions have been designed to indicate “Yes” or “N/A” (not applicable) as favorable responses. All “No” responses must be fully explained. “No” answers do not necessarily imply the report is unacceptable. This supplement is intended as a guide and the reviewer must exercise professional judgment when answering the questions and reaching specific and overall conclusions on the quality of the audit.*

**Citations**

*Citations are provided to enable reference to relevant requirements and standards. Reviewers should be familiar with the requirements and standards and have them available when performing the review. The reviewer should also be familiar with and have available the Compliance Supplement published by OMB. Abbreviations used to cite the requirements and standards are:*

*AU-C Professional Standards – Statements on Auditing Standards, AICPA (updated through SAS 142)*

*2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards issued on December 19, 2014.*

*Note: The Council on Financial Assistance Reform’s (COFAR) Frequently Asked Questions, updated September 2015, provide additional information on applicability to awards, subawards, and system changes.*

*GAGAS Generally Accepted Government Auditing Standards, 2018 Revision*

*AAG-GAS Government Auditing Standards and Single Audits, 2022, AICPA (As of April 1, 2022)*

Appendix A | Single Audits | Checklist

Please Enter Audit Under Review on Coversheet

			Totals			(0 of 122 questions answered)
Question #	Question	Standard Reference	Yes	No	N/A	Comments
<b>Summary of Review Results</b>						
OV	Based on your overall evaluation of work performed for this single audit, did the:					
OV.A	Organization perform the engagement in all material respects in accordance with generally accepted government auditing standards as it relates to the Single Audit Act Amendments of 1996?					
OV.B	Audit contain all of the audit reports required by the Single Audit Act Amendments of 1996 and were they appropriate in the circumstances for the:					
OV.B1	Schedule of Expenditures of Federal Awards?					
OV.B2	Report on Compliance with Requirements Applicable to each Major Program and on Internal Control over Compliance?					
OV.C	Reports contain all disclosures and schedules required by the Single Audit Act Amendments of 1996?					
<b>Reporting   Schedule of Expenditures of Federal Awards</b>						
1.1	Does the report include a Schedule of Expenditures of Federal Awards for the period covered by the auditee's financial statements identifying, at a minimum:	2 CFR 200.510(b); AAG-GAS 7.08				
1.1.a	Individual federal programs by Federal agency and, for a cluster of programs (as defined in 2 CFR 200.1), provide the cluster name, list individual Federal programs within the cluster of programs, and provide the applicable Federal agency name. Note: for research and development (R&D), total federal awards expended must be shown either by individual Federal award or by Federal agency and major subdivision within the Federal agency.	2 CFR 200.510(b)(1); AAG-GAS 7.08				
1.1.b	For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity?	2 CFR 200.510(b)(2); AAG-GAS 7.08				
1.1.c	Total Federal awards expended for each individual Federal program (as defined by 2 CFR 200.502) and the Assistance Listing Number or other identifying number when the Assistance Listing information is not available? For a cluster of programs, also provides the total for the cluster?	2 CFR 200.510(b)(3); AAG-GAS 7.08				
1.1.d	Total amount provided to subrecipients from each Federal program?	2 CFR 200.510(b)(4); AAG-GAS 7.08				
1.1.e	The total Federal awards expended for loan or loan guarantee programs (as described in 2 CFR 200.502(b)) in the schedule?	2 CFR 200.510(b)(5); AAG-GAS 7.08				

			Totals			(0 of 122 questions answered)
Question #	Question	Standard Reference	Yes	No	N/A	Comments
1.1.f	Notes that describe the significant accounting policies used in preparing the schedule, whether or not the auditee elected to use the 10% de minimis indirect cost rate (as covered in 2 CFR 200.414), and the balances of loan or loan guarantees outstanding at the end of the audit period?	2 CFR 200.510(b)(5-6); AAG-GAS 7.09				
1.2	The auditor's report on the Schedule of Expenditures of Federal Awards may be given in a separate section in the auditor's report on the financial statements with the heading "Supplementary Information," or other appropriate heading, or a separate report may be issued. Does the report identify the additional information accompanying the financial statements?	AU-C 725.09; AAG-GAS 13.11				
1.3	Does the report on the Schedule of Expenditures of Federal Awards include either an opinion or disclaimer of opinion as to whether the accompanying information is fairly stated, in all material respects, in relation to the financial statements as a whole?	2 CFR 500.515(a), AU-C 725.09-.13; AAG-GAS 7.37, 13.11				
<b>Reporting</b>	<b>Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance</b>					
2.1	Is a report on compliance for each major program and on internal control over compliance required by the Uniform Guidance presented that includes the following basic elements:	AU-C 935.30-.31; 2 CFR 200.515(c); AAG-GAS 13.26				
2.1.a	A title that clearly indicates that it is the report of an independent auditor?	AU-C 935.30(a); AAG-GAS 13.26(a)				
2.1.b	An addressee, as appropriate, based on the circumstances of the engagement?	AU-C 935.30(b); AAG-GAS 13.26(b)				
2.1.c	The report on compliance, presented before the report on internal control over compliance, with the heading "Report on Compliance for Each Major Federal Program"?	AU-C 935.30(c); AAG-GAS 13.26(c)				
2.1.d	The first section of the auditor's report on compliance which should include the auditor's opinion and section with a heading that includes the word "Opinion" and indicates the reporting level pursuant to the governmental audit requirement? The "Opinion" section of the auditor's report should also:	AU-C 935.30(d); AAG-GAS 13.26(d)				
2.1.d.(1)	State that the entity's compliance with the types of compliance requirements identified as subject to audit in the Compliance Supplement that could have a direct and material effect on each of its major federal programs has been audited?	AU-C 935.30(d)(i-ii); AAG-GAS 13.26(d)(i)				
2.1.d.(2)	State that the entity's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs?	AU-C 935.30(d)(iii); AAG-GAS 13.26(d)(ii)				
2.1.d.(3)	Specify the period covered by the report?	AU-C 935.30(d)(iv); AAG-GAS 13.26(d)(iii)				
2.1.d.(4)	When expressing an unmodified opinion on all major programs, state that, in the auditor's opinion, the entity complied, in all material respects, with the types of compliance requirements identified as subject to audit in the Compliance Supplement that could have a direct and material effect on each if its major federal programs for the year ended [specify date]?	AU-C 935.30(d)(v); AAG-GAS 13.26(d)(iv)				

			Totals			(0 of 122 questions answered)
Question #	Question	Standard Reference	Yes	No	N/A	Comments
2.1.d.(5)	If instances of noncompliance are noted that result in an opinion qualification for one or more major programs, a subheading with an appropriate title (for example, "Qualified Opinion on [Name of Major Federal Program]") that includes the auditor's opinion on whether the entity complied, in all material respects, with the types of compliance requirements identified as subject to audit in the Compliance Supplement that could have a direct and material effect on each of its major federal program for the year ended [specify date]? Note: If instances of noncompliance are noted that result in an opinion qualification on one or more major programs, but there are other major programs receiving an unmodified opinion, the subheading to the opinion paragraph relating to the unmodified opinion(s) may be modified to "Unmodified Opinion on Each of the Other Major Federal Programs" to clearly indicate the programs receiving an unmodified opinion.	AAG-GAS 13.26(d)(v)				
2.1.d.(6)	Directly following the "Opinion" section, a section of the auditor's report on compliance with the heading "Basis for Opinion on Each Major Federal Program" that includes:	AU-C 935.30(e); AAG-GAS 13.26€				
2.1.d.(7)	A statement that the audit of compliance was conducted in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and the audit requirements of Title 2 U.S. CFR Part 200, <i>Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards</i> ?	AU-C 935.30(e)(i); AAG-GAS 13.26(e)(i)				
2.1.d.(8)	A reference to the section of the auditor's report that describes the auditor's responsibilities under GAAS, Government Auditing Standards, and Uniform Guidance?	AU-C 935.30(e)(ii); AAG-GAS 13.26(e)(ii)				
2.1.d.(9)	A statement that the auditor is required to be independent of the entity and to meet the auditor's other ethical responsibilities in accordance with the relevant ethical requirements relating to the audit?	AU-C 935.30(e)(iii); AAG-GAS 13.26(e)(iii)				
2.1.d.(10)	A statement that the auditor believes that the audit evidence the auditor has obtained is sufficient and appropriate to provide a basis for the auditor's opinion on compliance for each major program?	AU-C 935.30(e)(iv); AAG-GAS 13.26(e)(iv)				
2.1.d.(11)	A statement that the compliance audit does not provide a legal determination of the entity's compliance with the applicable compliance requirements?	AU-C 935.30(e)(v); AAG-GAS 13.26(e)(v)				
2.1.d.(12)	If instances of noncompliance for a major program are noted that result in a qualified opinion on a major federal program, modify the subheading in AU-C 935.30(e) to "Basis for Qualified Opinion and Unmodified Opinions" and include a subheading titled, "Matter(s) Giving Rise to Qualified Opinion on [Name of Major Federal Program]" that includes:	AAG-GAS 13.26(e)(vi)				
2.1.d.(12)(i)	A statement that, as described in the accompanying schedule of findings and questioned costs, the entity did not comply with requirements regarding [identify the major federal and associated finding number(s) matched to the type(s) of compliance requirements]?	AAG-GAS 13.26(e)(vi)(a)				

			Totals			0	0	0	(0 of 122 questions answered)
Question #	Question	Standard Reference	Yes	No	N/A	Comments			
2.1.d.(12)(ii)	A statement that compliance with such requirements is necessary, in the auditor's opinion, for the entity to comply with the requirements applicable to the program?	AAG-GAS 13.26(e)(vi)(b)							
2.1.e	A section of the auditor's report on compliance with the heading "Responsibilities of Management for Compliance." This section of the auditor's report should describe management's responsibility for compliance with the applicable compliance requirements and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the entity's federal programs?	AU-C 935.30(f); AAG-GAS 13.26(f)							
2.1.f	A section of the auditor's report on compliance with the heading "Auditor's Responsibilities for the Audit of Compliance" that includes:	AU-C 935.30(g); AAG-GAS 13.26(g)							
2.1.g	A statement that the objectives of the auditor are to obtain reasonable assurance about whether material noncompliance with the applicable compliance requirements occurred, whether due to fraud or error; and express an opinion on the entity's compliance with the applicable compliance requirements based on the compliance audit.	AU-C 935.30(g)(i); AAG-GAS 13.26(g)(i)							
2.1.h	A statement that reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists.	AU-C 935.30(g)(ii); AAG-GAS 13.26(g)(ii)							
2.1.i	A statement that the risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.	AU-C 935.30(g)(iii); AAG-GAS 13.26(g)(iii)							
2.1.j	A statement that noncompliance with the applicable compliance requirements is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the entity's compliance with the requirements of each major federal program as a whole.	AU-C 935.30(g)(iv); AAG-GAS 13.26(g)(iv)							
2.1.k	A statement that, in performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance the auditor's responsibilities are to:	AU-C 935.30(g)(v); AAG-GAS 13.26(g)(v)							
2.1.l	Exercise professional judgment and maintain professional skepticism throughout the audit.	AU-C 935.30(g)(v)(1); AAG-GAS 13.26(g)(v)(a)							
2.1.m	Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the entity's compliance with applicable compliance requirements and performing such other procedures as the auditor considered necessary in the circumstances	AU-C 935.30(g)(v)(2); AAG-GAS 13.26(g)(v)(b)							

			Totals			(0 of 122 questions answered)
Question #	Question	Standard Reference	Yes	No	N/A	Comments
2.1.n	Obtain an understanding of the entity's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over compliance. Accordingly, no such opinion is expressed.	AU-C 935.30(g)(v)(3); AAG-GAS 13.26(g)(v)(c)				
2.1.o	A statement that the auditor is required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that the auditor identified during the audit.	AU-C 935.30(g)(vi); AAG-GAS 13.26(g)(vi)				
2.1.p	If noncompliance that does not result in a modified opinion but is required to be reported in accordance with the Uniform Guidance is identified, an other-matter paragraph, in a separate section of the auditor's report with the heading "Other Matter," or another appropriate heading, that includes:	AU-C 935.30(h); AAG-GAS 13.26(h)				
2.1.p.(1)	A reference to the schedule of findings and questioned costs in which the instances of non-compliance are described, including the reference number(s) of the finding(s)?	AAG-GAS 13.26(h)(i)				
2.1.p.(2)	A statement that the auditor's opinion on each major federal program is not modified with respect to the matters?	AAG-GAS 13.26(h)(ii)				
2.1.q	A section of the auditor's combined report on compliance and internal control over compliance with the heading "Report on Internal Control Over Compliance" that includes:	AU-C 935.30(i); AAG-GAS 13.26(i)				
2.1.q.(1)	The definitions of deficiency in internal control over compliance, material weakness in internal control over compliance, and significant deficiency in internal control over compliance.	AU-C 935.30(i)(i); AAG-GAS 13.26(i)(i)				
2.1.q.(2)	A statement that the auditor's consideration of the entity's internal control over compliance was for the limited purpose described in the "Auditor's Responsibilities for the Audit of Compliance" section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance?	AU-C 935.30(i)(ii); AAG-GAS 13.26(i)(ii)				
2.1.q.(3)	If no material weaknesses in internal control over compliance were identified, a statement that the auditor did not identify any deficiencies in internal control over compliance that are considered to be material weaknesses?	AU-C 935.30(i)(iv); AAG-GAS 13.26(i)(iii)				
2.1.q.(4)	A statement that material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.	AU-C 935.30(i)(ii); AAG-GAS 13.26(i)(iv)				
2.1.q.(5)	If significant deficiencies in internal control over compliance were identified, a statement that deficiencies in internal control over compliance were identified that are considered to be significant deficiencies, and a description of the significant deficiencies in internal control over compliance or a reference to the accompanying schedule of findings and questioned costs, including the reference number(s) of the finding(s)?	AU-C 935.30(i)(iii); AAG-GAS 13.26(i)(v)				

			Totals			0	0	0	(0 of 122 questions answered)
Question #	Question	Standard Reference	Yes	No	N/A	Comments			
2.1.q.(6)	If material weaknesses in internal control over compliance were identified, a statement that deficiencies in internal control over compliance were identified that are considered to be material weaknesses and a description of the material weaknesses in internal control over compliance or a reference to the accompanying schedule of findings and questioned costs, including the reference number(s) of the finding(s)?	AU-C 935.30(i)(iii); AAG-GAS 13.26(i)(vi)							
2.1.q.(7)	A statement that the audit was not designed for the purpose of expressing an opinion on the effectiveness of the entity's internal control over compliance and, accordingly, no such opinion is expressed?	AU-C 935.30(i)(v); AAG-GAS 13.26(i)(vii)							
2.1.q.(8)	A separate paragraph at the end of the section stating that the purpose of the report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the result of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose?	AU-C 935.30(j); AAG-GAS 13.26(i)(viii)							
2.1.r	The manual or printed signature of the auditor's firm?	AU-C 935.30(k); AAG-GAS 13.26(j)							
2.1.s	The city and state where the auditor's report is issued?	AU-C 935.30(l); AAG-GAS 13.26(k)							
2.1.t	The date of the auditor's report?	AU-C 935.30(m); AAG-GAS 13.26(l)							
2.2	Were the effects of identified instances of noncompliance properly considered in forming an opinion on the basic financial statements?	2 CFR 200.515; AAG-GAS 10.13							
2.3	Was the opinion on compliance modified if any of the following conditions existed:	AU-C 935.34; AAG-GAS 13.22							
2.3.a	The auditor concluded that, based on the audit evidence obtained, material noncompliance with the applicable compliance requirements exists?	AU-C 935.34(a); AAG-GAS 13.22							
2.3.b	The auditor is unable to obtain sufficient appropriate audit evidence to conclude whether material noncompliance with the applicable compliance requirements exists?	AU-C 935.34(b); AAG-GAS 13.22-.25							
2.4	Was the compliance report modified in those instances where the auditor appropriately makes reference to the report of another auditor as the basis, in part, for the auditor's report including identification of the components or major programs covered by the reports being relied upon?	AU-C 935.36, 600.24-.31; AAG-GAS 13.32							
2.5	If the auditor reissued the auditor's report, did the reissued report include an other-matter paragraph stating that the report is replacing a previously issued report and describing the reasons why the report is being reissued, and any changes from the previously issued report?	AU-C 935.44; AAG-GAS 13.30-.31							
2.6	If the audit of Federal awards does not encompass the entirety of the auditee's operations expending Federal awards, are the operations that are not included (such as departments, component units, or other organization units) identified in a separate paragraph following the first paragraph of the introductory section of the report on compliance for each major program? Note: evaluation of the scope of the audit is addressed in questions 4.3 and 4.4 below.	AAG-GAS 13.33							

			Totals			(0 of 122 questions answered)
Question #	Question	Standard Reference	Yes	No	N/A	Comments
<b>Reporting   Schedule of Findings and Questioned Costs</b>						
3.1	Is a schedule of findings and questioned costs presented that includes the following three components:	2 CFR 200.515(d); AAG-GAS 13.34-.41				
3.1.a	A summary of the auditor's results which must include:	2 CFR 200.515(d)(1); AAG-GAS 13.35(a)				
3.1.a.(1)	The type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP (i.e., unmodified opinion, qualified opinion, adverse opinion, or disclaimer of opinion)?	2 CFR 200.515(d)(1)(i); AAG-GAS 13.35(a)(i)				
3.1.a.(2)	Where applicable, a statement about whether significant deficiencies or material weaknesses in internal control were disclosed by the audit of the financial statements?	2 CFR 200.515(d)(1)(ii); AAG-GAS 13.35(a)(ii)				
3.1.a.(3)	A statement on whether the audit disclosed any noncompliance that is material to the financial statements of the auditee?	2 CFR 200.515(d)(1)(iii); AAG-GAS 13.35(a)(iii)				
3.1.a.(4)	Where applicable, a statement about whether significant deficiencies or material weaknesses in internal control over major programs were disclosed by the audit?	2 CFR 200.515(d)(1)(iv); AAG-GAS 13.35(a)(iv)				
3.1.a.(5)	The type of report the auditor issued on compliance for major programs (i.e., unmodified opinion, qualified opinion, adverse opinion, or disclaimer of opinion)?	2 CFR 200.515(d)(1)(v); AAG-GAS 13.35(a)(v)				
3.1.a.(6)	A statement on whether the audit disclosed any audit findings that the auditor is required to report under 2 CFR 200.516(a)?	2 CFR 200.515(d)(1)(vi); AAG-GAS 13.35(a)(vi)				
3.1.a.(7)	An identification of major programs? (Note: in the case of a cluster of programs, only the cluster name as shown on the Schedule of Expenditures of Federal Awards is required.)	2 CFR 200.515(d)(1)(vii); AAG-GAS 13.35(a)(vii)				
3.1.a.(8)	The dollar threshold used to distinguish between Type A and Type B programs, as described in 2 CFR 200.518(b)(1), or (b)(3) when a recalculation of the Type A threshold is required for large loan or loan guarantees?	2 CFR 200.515(d)(1)(viii); AAG-GAS 13.35(a)(viii)				
3.1.a.(9)	A statement on whether the auditee qualified as a low-risk auditee under 2 CFR 200.520?	2 CFR 200.515(d)(1)(ix); AAG-GAS 13.35(a)(ix)				
3.1.b	Findings relating to the financial statements that are required to be reported in accordance with Government Auditing Standards:	2 CFR 200.515(d)(2); AAG-GAS 13.35(b)				
3.1.b.(1)	Significant deficiencies and material weaknesses in internal control over financial reporting?	GAGAS 6.40; AAG-GAS 4.07, 13.35(b), 13.37				
3.1.b.(2)	Noncompliance with provisions of laws, regulations, contracts, or grant agreements that has a material effect on the financial statements or other financial data significant to the audit objectives?	GAGAS 6.41(a); AAG-GAS 4.07, 13.35(b), 13.37				
3.1.b.(3)	Fraud that is material, either quantitatively or qualitatively, to the financial statements or other financial data significant to the audit objectives?	GAGAS 6.41(b); AAG-GAS 4.07, 13.35(b), 13.37				
3.1.c	Findings and questioned costs for Federal awards, which must include the following audit findings:	2 CFR 200.515(d)(3), .516(a); AAG-GAS 13.35(c), .39				

			Totals			(0 of 122 questions answered)
Question #	Question	Standard Reference	Yes	No	N/A	Comments
3.1.c.(1)	Significant deficiencies and material weaknesses in internal control over major programs and significant instances of abuse relating to major programs? Note: for the purpose of reporting an audit finding, the auditor's determination of whether a deficiency in internal control is a significant deficiency or material weakness is in relation to a type of compliance requirement for a major program identified in the <i>Compliance Supplement</i> .	2 CFR 200.516(a)(1); AAG-GAS 13.39(a), .39(f), .41				
3.1.c.(2)	Material noncompliance with Federal statutes, regulations, or the terms and conditions of the Federal awards related to a major program? Note: as with significant deficiencies in the previous question, this determination is in relation to a type of compliance requirement for a major program identified in the Compliance Supplement.	2 CFR 200.516(a)(2); AAG-GAS 13.39(b)				
3.1.c.(3)	Known or likely questioned costs that are greater than \$25,000 for a type of compliance requirement for a major program? Note: when reporting questioned costs, only the known questioned costs need to be stated in the finding and the auditor must include information to provide proper perspective for judging the prevalence and consequences of the <u>questioned costs</u> .	2 CFR 200.516(a)(3); AAG-GAS 13.39(c)				
3.1.c.(4)	Known questioned costs that are greater than \$25,000 for a program that is not audited as a major program?	2 CFR 200.516(a)(4); AAG-GAS 13.39(d)				
3.1.c.(5)	The circumstances concerning why the opinion in the auditor's report on compliance for each major program is other than an unmodified opinion, unless such circumstances are otherwise reported as audit findings in the schedule of findings and questioned costs?	2 CFR 200.516(a)(5); AAG-GAS 13.39(g)				
3.1.c.(6)	Known or likely fraud affecting a Federal award, unless such fraud is otherwise reported as an audit finding in the schedule of findings and questioned costs?	2 CFR 200.516(a)(6); AAG-GAS 13.39(e)				
3.1.c.(7)	Instances in which the results of audit follow-up procedures disclosed that the summary schedule of prior audit findings prepared by the auditee in accordance with 2 CFR 200.511(b) materially misrepresents the status of any prior audit finding?	2 CFR 200.516(a)(7); AAG-GAS 13.39(h)				
3.2	As applicable, is the following specific information included in audit findings:	2 CFR 200.516(b); AAG-GAS 13.42				
3.2.a	Federal program and specific Federal award identification including the Assistance Listing program title and number, Federal award identification number and year, name of Federal agency, and the name of the applicable pass-through entity? If such information is not available, was the best information available to describe the Federal award included?	2 CFR 200.516(b)(1); AAG-GAS 13.42(a)				
3.2.b	The criteria or specific requirement upon which the audit finding is based, including the Federal statutes, regulations, or the terms and conditions of the Federal awards?	2 CFR 200.516(b)(2); AAG-GAS 13.42(b); GAGAS 6.25				
3.2.c	The condition found, including facts that support the deficiency identified in the audit finding?	2 CFR 200.516(b)(3); AAG-GAS 13.42(c); GAGAS 6.26				

			Totals			(0 of 122 questions answered)
Question #	Question	Standard Reference	Yes	No	N/A	Comments
3.2.d	A statement of cause that identifies the reason or explanation for the condition or the factors responsible for the difference between the situation that exists (condition) and the required or desired state (criteria), which may also serve as a basis for recommendations for corrective action?	2 CFR 200.516(b)(4); AAG-GAS 13.42(d); GAGAS 6.27				
3.2.e	The possible asserted effect to provide sufficient information to the auditee and Federal agency, or pass-through entity in the case of a subrecipient, to permit them to determine the cause and effect to facilitate prompt and proper corrective action? Note: a statement of the effect or potential effect should provide a clear, logical link to establish the impact or potential impact of the difference between the condition and the criteria.	2 CFR 200.516(b)(5); AAG-GAS 13.42(e); GAGAS 6.28				
3.2.f	Identification of questioned costs and how they were computed? Note: known questioned costs must be identified by applicable Assistance Listing number(s) and applicable Federal award identification number(s).	2 CFR 200.516(b)(6); AAG-GAS 13.42(f)				
3.2.g	Information to provide proper perspective for judging the prevalence and consequences of the audit findings, such as whether the audit findings represent an isolated instance or a systemic problem?	2 CFR 200.516(b)(7); AAG-GAS 13.42(g)				
3.2.g.(1)	Where appropriate, were the instances identified related to the universe and the number of cases examined, and quantified in terms of dollar value? Note: the auditor should report whether the sampling was a statistically valid sample.	2 CFR 200.516(b)(7); AAG-GAS 13.42(g); GAGAS 6.51				
3.2.h	Identification of whether the audit finding was a repeat of a finding in the immediately prior audit and, if so, any applicable prior year audit finding numbers.	2 CFR 200.516(b)(8); AAG-GAS 13.42(h)				
3.2.i	Recommendations to prevent future occurrences of the deficiency identified in the audit finding?	2 CFR 200.516(b)(9); AAG-GAS 13.42(i); GAGAS 6.50, .52				
3.2.j	Views of responsible officials of the auditee?	2 CFR 200.516(b)(10); AAG-GAS 13.42(j); GAGAS 6.57				
3.2.j.(1)	Where appropriate, an evaluation of the auditee's comment(s) to audit findings?	AAG-GAS 13.44; GAGAS 6.59-.60				
3.3	Does each audit finding in the schedule of findings and questioned costs include a reference number in the format meeting the requirements of the data collection form submission required by 2 CFR 200.512(b) to allow for easy referencing of the audit findings during follow-up?	2 CFR 200.516(c); AAG-GAS 13.46				
<b>Planning</b>						
4.1	Is there evidence in the audit documentation that the auditor was familiar with applicable single audit requirements?	2 CFR 200				
4.2	Did the auditors and audit organization satisfy the general standards on independence for the engagement?	GAGAS 3.17-.108				

			Totals			(0 of 122 questions answered)
Question #	Question	Standard Reference	Yes	No	N/A	Comments
4.3	Did the audit scope of the engagement appropriately encompass the entire operations of the auditee or, at the option of the auditee, include a series of audits that covered departments, agencies, or other organizational units that expended or otherwise administered Federal awards during such audit period, provided that each audit encompassed the financial statements and Schedule of Expenditures of Federal Awards for each such department, agency, and other organizational unit?	2 CFR 200.514(a); AAG-GAS 6.15				
4.4	Have all known Federal awards including those of component units, been included in the audit, or, if not, have required audits been performed that cover the excluded awards?	2 CFR 200.514(a); AAG-GAS 6.15				
4.5	Is there evidence in the audit documentation that an appropriate determination was made as to whether the Schedule of Expenditures of Federal Awards is presented fairly in all material respects in relation to the auditee's financial statements as a whole?	2 CFR 200.514(b); AAG-GAS 7.01				
4.6	Does the audit documentation show that the auditor followed up on prior audit findings and performed procedures to assess the reasonableness of the summary schedule of prior audit findings prepared by the auditee in accordance with 2 CFR 200.511(b)?	2 CFR 200.514(e); AAG-GAS 5.23, 6.56, 10.70-.76				
4.7	Did the auditor establish, apply and document materiality levels, and the basis on which they were determined, for the compliance audit based on the governmental audit requirement?	AU-C 935.13, .42; AAG-GAS 6.47-.52				
4.8	Did the auditor identify major Federal programs using a risk-based approach, including appropriate percentage of coverage considerations?	2 CFR 200.518; AU-C 935.14, AAG-GAS 5.29-.32, 8.01-.32				
4.9	Did the auditor perform and document risk assessment procedures for each major program to obtain a sufficient understanding of the direct and material compliance requirements and the entity's internal control over compliance with those compliance requirements?	AU-C 935.15, .40; AAG-GAS 6.25-.35, 10.40				
4.10	Did the auditor's risk assessment procedures include inquiry of management about whether there are findings and recommendations in reports or other written communications resulting from previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the audit?	AU-C 935.16, .40; AAG-GAS 6.35				
4.11	Did the auditor's risk assessment procedures include gaining an understanding of management's response to findings and recommendations that could have a material effect on the entity's compliance with direct and material compliance requirements?	AU-C 935.16, .40; AAG-GAS 6.35				
4.12	Did the auditor determine Federal program risk after consideration of criteria such as current and prior audit experience, oversight exercised by Federal agencies and pass-through entities, and the inherent risk of noncompliance of the Federal programs?	2 CFR 200.519; AU-C 935.15, AAG-GAS 8.09-.15, .22-.32				
4.13	Did the auditor use risk assessment information to determine the nature, timing, and extent of audit procedures?	AU-C 935.16, .40; AAG-GAS 6.35, 10.42				
4.14	Did the auditor assess and document the risks of material noncompliance whether due to fraud or error for each direct and material compliance requirement and consider whether any of those risks are pervasive to the entity's compliance because they may affect the entity's compliance with many compliance requirements?	AU-C 935.17, .41; AAG-GAS 6.36-.46				
4.15	Did the auditor develop and document an overall response to identified risks of material noncompliance that are pervasive to the entity's compliance?	AU-C 935.18, .41; AAG-GAS 10.07-.09				

			Totals			(0 of 122 questions answered)
Question #	Question	Standard Reference	Yes	No	N/A	Comments
<b>Major Programs</b>						
5.1	Did the auditor determine the principal compliance requirements for major Federal programs in accordance with the <i>Compliance Supplement</i> and, for federal programs not included in the Compliance Supplement, use the provisions of contracts and grant agreements and the laws and regulations referred to in such contracts and grant agreements?	2 CFR 200.514(d)(2-3); AU-C 935.14, AAG-GAS 10.17-.34				
5.2	Did the auditor perform procedures to obtain an understanding of internal control over Federal programs sufficient to plan the audit to support a low assessed level of control risk of noncompliance for major programs?	2 CFR 200.514(c)(2); AU-C 935.40; AAG-GAS 9.08, .17-.33				
5.3	Did the auditor plan the testing of internal control over compliance for major programs to support a low assessed level of control risk for the assertions relevant to the compliance requirements for each major program?	2 CFR 200.514(c)(3); AU-C 935.20, .40-.43; AAG-GAS 9.08, .34-.42				
5.4	Did the auditor perform testing of internal control over compliance as planned?	2 CFR 200.514(c)(3); AU-C 935.20, .41; AAG-GAS 9.08, .43-.46				
5.5	When internal controls over some or all of the compliance requirements for a major program are likely to be ineffective in preventing or detecting noncompliance, does the audit documentation show that the auditor reported a significant deficiency or material weakness in accordance with 2 CFR 200.516, assessed the related control risk at the maximum, and considered whether additional compliance tests were required because of ineffective internal control?	2 CFR 200.514(c)(4); AAG-GAS 9.40-.42				
5.6	Did the auditor perform testing of compliance with Federal statues, regulations, and the terms and conditions of Federal awards that may have a direct and material effect on each of its major programs sufficient to form an opinion on compliance?	2 CFR 200.514(d); AU-C 935.20, AAG-GAS 10.40-.42				
5.7	Does the audit documentation include an evaluation of whether deficiencies (either individually or in combination) were significant deficiencies or material weaknesses, in relation to the compliance requirement for the maior Federal program?	AU-C 265.09-.10; AAG-GAS 9.58-.60				
5.8	Does the audit documentation show the auditor's consideration of instances of noncompliance, both individually and when aggregated, in determining the overall opinion on compliance?	AU-C 935.28-.29; AAG-GAS 10.12				
5.9	Does the audit documentation show that the auditor designed, performed and documented further audit procedures, including tests of details, to obtain sufficient appropriate audit evidence about the entity's compliance with each of the direct and material compliance requirements in response to the assessed risks of material noncompliance?	AU-C 935.19, .41; AAG-GAS 10.08-.09				
5.10	Does the audit documentation show that the auditor evaluated the sufficiency and appropriateness of the audit evidence obtained and formed an opinion on whether the entity complied with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each maior program?	AU-C 935.28-.29; AAG-GAS 10.57-.59				
5.11	If the audit was a program specific audit, did the auditor comply with all applicable requirements?	2 CFR 200.507(b)(2 & 4)				
<b>Concluding</b>						

			Totals			(0 of 122 questions answered)
Question #	Question	Standard Reference	Yes	No	N/A	Comments
6.1	Did the auditor request and obtain appropriate written representations from management that are tailored to the entity and the single audit requirement and were the representations appropriately dated?	AU-C 935.23-24, 580.20; AAG-GAS 10.77-.78				
6.2	Does the audit documentation provide evidence that the auditor performed audit procedures up to the date of the auditor's report to obtain sufficient appropriate evidence that all subsequent events related to the entity's compliance during the period covered by the auditor's report on compliance were identified and appropriately addressed?	AU-C 935.25-.27; AAG-GAS 10.53-.54				
6.3	Does the audit documentation show that the auditor communicated with those charged with governance of the entity the auditor's responsibilities under generally accepted auditing standards, <i>Government Auditing Standards</i> , and the Uniform Guidance, an overview of the planned scope and timing of the compliance audit, and significant findings from the compliance audit?	AU-C 935.38; AAG-GAS 6.08-.09, 13.50				
6.4	Did the auditor document supervisory review, before the report release date, of the evidence that supported the findings and conclusions contained in the audit report?	GAGAS 6.31				
6.5	Did the auditor complete the applicable sections of the data collection form (SF-SAC)?	2 CFR 200.512(b)(3); AAG-GAS 13.60				
6.6	Is the audit reporting package and related audit documentation free of indications that the auditor performed management functions that were not identified as threats to independence? For example, the FAQ updated July 2017 states that a corrective action plan must be submitted by the auditee on auditee letterhead.	2 CFR 200.511(c); GAGAS 3.30(f); AAG-GAS 10.75				

## Appendix B | Financial Statement Presentation | Coversheet

Audit Organization Under Review

Audit Under Review

Person(s) Who Completed This Form

External Peer Review Team Leader

Date

Audit Period

Summary Results of Review

### Guide for Review of Financial Audit Engagements

#### Purpose and Format

*This guide is a supplement to the engagement guide. Its purpose is twofold: to (1) facilitate the review team's identification and documentation of any matter that comes to its attention to believe that the audited financial statements reviewed may not have been presented in all material respects in accordance with GAAP; and, (2) with respect to those financial statements, to evaluate whether the auditor performed the engagement, in all material respects, in accordance with generally accepted government auditing standards. That is, the review team's focus is on how the auditor responded, in accordance with auditing standards, for financial statement presentation and disclosure matters identified by the review team.*

*This guide is written from the perspective that the financial statements are prepared in accordance with generally accepted accounting principles (GAAP). However, this guide should also be used to review financial statements of individual funds, departments, agencies or programs, as well as financial statements prepared in accordance with special purpose frameworks.*

*The checklist is broken down into sections for basic financial statements, notes and required supplementary information and newer GASB pronouncements. Within each section is a series of questions related to GAAP financial reporting requirements. The questions in this guide emphasize reporting matters ordinarily considered by an independent auditor in the examination of government financial statements. This guide can be used in reviewing the audit of the basic financial statements or a comprehensive annual financial report. The reviewer, however, should recognize that this guide does not address certain items contained in the comprehensive annual financial report, such as the introductory section and nonfinancial statistical information.*

#### **Instructions for Completing the Form**

*In accordance with this guide's purpose, the reviewer should examine the financial statements, and for each question, respond whether the financial statements presentation or disclosure were, in accordance with GAAP (or an applicable special purpose framework).*

*The questions have been designed to indicate "Yes" or "N/A" as favorable responses. The "N/A" (not applicable) column should be used when the question item either does not exist or is not material. For each "No" response, the review team member should examine the audit documentation to evaluate whether the auditors' evidence and documentation demonstrated that relevant auditing standards were followed (e.g., appropriately identified and evaluated the departure from GAAP, including the effect on the auditor's reports). All "No" responses must be fully explained in the comments field, including the reviewer's evaluation about whether the auditors followed auditing standards. Accordingly, "No" answers do not necessarily imply the financial statements or auditor's reports are unacceptable.*

*Upon completion of the checklist's detailed questions, the review team member should complete the Summary of Review Results questions. For any "No" responses where the reviewer determined the auditor did not follow auditing standards in identifying and evaluating the departure, the review team member should a) consider the impact of these departures, individually and in the aggregate, on the auditor's opinion when completing the Guide for Review of Financial Engagements for this audit and b) include appropriate matters in the Matters for Further Consideration (MFC) Form. This supplement is intended as a guide and the reviewer must exercise professional judgment when answering the questions and reaching specific and overall conclusions on the quality of the audit.*

#### **Guidance for Financial Statements of Individual Funds, Departments, Agencies or Programs**

*For separate GAAP-based financial statements of individual funds, departments, agencies or programs, reviewers should follow guidance from the AICPA's Audit & Accounting Guide, State and Local Governments, which anticipates that such presentations would apply all relevant GAAP requirements. The reviewer must exercise professional judgment when determining applicability of review questions, considering any documentation of the auditor's consideration of these matters.*

#### **Guidance for Financial Statements Prepared in Accordance with Special Purpose Frameworks**

*For financial statements prepared in accordance with a special purpose framework, reviewers should follow guidance from the U.S. Auditing Standards—AICPA (Clarified), Special Considerations—Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks that requires such presentations to include disclosures similar to GAAP as applicable to any elements presented that are similar to GAAP (AU-C 800.11, .16). This standard also requires disclosure of the framework and how it differs from GAAP. The reviewer must exercise professional judgment when determining applicability of review questions in this guide, considering the disclosed description of the special purpose framework and any documentation of the auditor's consideration of these matters.*

#### **Citations**

*Citations are provided to enable reference to relevant requirements and standards. Reviewers should be familiar with the requirements and standards and have them available when performing the review. Abbreviations used to cite the requirements and standards are:*

*GASB - Governmental Accounting Standards Board*

*GASB Cod. Sec. - Codification of Governmental Accounting and Financial Reporting Standards, GASB*

				0	0	0	(0 of 121 questions answered)
Question #	Question	Standard Reference	Yes	No	N/A	Comments	
<b>Summary of Review Results</b>							
OV	Based upon your review of the financial statements, and relevant audit engagement documentation for this audit and evaluation of any "No" responses to the checklist questions:						
OV.1	Were the financial statements in accordance with GAAP (or when applicable, a special purpose framework) in all material respects; or if not, was the auditor's report appropriately modified?						
OV.2	With respect to the financial statement presentations and disclosures, did the audit organization perform the engagement, in all material respects, in accordance with generally accepted government auditing standards?						
<b>Management's Discussion and Analysis (MD&amp;A)</b>							
	<i>Note: all references in this checklist are to GASB Codification as of June 30, 2021, unless noted otherwise</i>						
1.1	If required, is MD&A presented, complete and confined to the following, if relevant:	GASB Cod. Sec. 2200.106-.109					
	A brief discussion of the basic financial statements (government-wide and fund), including the relationship of the statements to each other, and the significant differences in the information they provide?						
	Condensed financial information derived from government-wide financial statements comparing the current year to the prior year, presenting information needed to support the analysis of financial position and results of operations.						
	An analysis of the government's overall financial position and results of operations.						
	An analysis of balances and transactions of individual funds including the reasons for significant changes in fund balances or fund net position and whether restrictions, commitments, or other limitations significantly affect the availability of fund resources for future use?						
	An analysis of significant budget variations for the general fund (or its equivalent).						

			0	0	0	(0 of 121 questions answered)
Question #	Question	Standard Reference	Yes	No	N/A	Comments
	A description of significant capital asset and long-term debt activity including a discussion of commitments made for capital expenditures, changes in credit ratings, and debt limitations that may affect the financing of planned facilities or services?					
	A discussion by governments that use the modified approach to report some or all of their infrastructure assets.					
	A description of currently known facts, decisions, or conditions that are expected to have a significant effect on financial position (net position) or results of operations (revenues, expenses, and other changes in net position)?					
<b>Basic Financial Statements - General Considerations</b>						
2.1	Is a full set of basic financial statements (including notes) applicable to the entity presented and appropriately titled?	GASB Cod. Sec. 2200.105, .110, .161, .170, .197, .204; Sp20.104-.110; 2300.102-103				
	Applicable to state and local government.	GASB Cod. Sec. 2200.105, .110, .161, .170, .197, .206; 2300.102-103				
	Applicable to special purpose governments engaged in governmental activities.	GASB Cod. Sec. Sp20.110-112; 2300.102-103				
	Applicable to special purpose governments engaged only in business type activities.	GASB Cod. Sec. Sp20.113-114; 2300.102-103				
	Applicable to special purpose governments engaged only in fiduciary activities.	GASB Cod. Sec. Sp20.115-.118; 2300.102-103				
2.2	If the government has multiple major discretely presented component units, except for component units that are fiduciary in nature, do the basic financial statements present separate information on each as one of the following: 1) separate columns in the government-wide financial statements, or 2) combining statements included within the basic financial statements, or 3) condensed financial statements included within the notes to the financial statements?	GASB Cod. Sec. 2600.108, 109				
2.3	Are any discretely presented component units presented in one or more separate columns to the right of the total column for the primary government?	GASB Cod. Sec. 2200.110c, 2600.107				
<b>Government-wide Financial Statements</b>						
3.1	Do the government-wide financial statements include the applicable statements, distinguishing between governmental and business-type activities?	GASB Cod. Sec. 2200.110-.113				

				0	0	0	(0 of 121 questions answered)
Question #	Question	Standard Reference	Yes	No	N/A	Comments	
3.2	Does the government-wide statement of net position contain the appropriate content and presentation?	GASB Cod. Sec. 2200.115-.119; 1400.112-.114; 1500.103					
3.3	Does the government-wide statement of activities contain the appropriate content and presentation?	GASB Cod. Sec. 2200.126-.127, .129, .136, .140-.144					
<b>Governmental Fund Financial Statements</b>							
4.1	Do the governmental fund financial statements include the applicable statements and schedules, appropriate governmental fund types, and do they focus on major funds?	GASB Cod. Sec. 1100.103a, 1300.103a, 2200.158-.160					
4.2	Does the balance sheet--governmental funds contain the appropriate content and presentation, i.e., does it report information about the current financial resources (assets, deferred outflows of resources, liabilities, deferred inflows of resources) of each major governmental fund and for nonmajor governmental funds in the aggregate?	GASB Cod. Sec. 2200.162-.163					
4.3	Does the statement of revenues, expenditures, and changes in fund balances--governmental funds contain the appropriate content and presentation, i.e., does it report information about the inflows, outflows, and balances of current financial resources of each major governmental fund and for the nonmajor governmental funds in the aggregate?	GASB Cod. Sec. 2200.165-.169					
4.4	If the budgetary comparisons are presented as a basic governmental fund financial statement (rather than as RSI), does the statement contain the appropriate content and presentation including:	GASB Cod. Sec. 2200.206-207					
	The budgetary comparison should be titled a statement rather than a schedule.	GASB Cod. Sec. 2200.206, footnote 51, .207, footnote 54					
	The budgetary statement should include a separate column for the general fund and each major special revenue fund. (Note: Governments not able to present budgetary comparisons for the general fund and each major special revenue fund because of perspective differences must present the statement based on the fund, organization, or program structure used for its legally adopted budget.)	GASB Cod. Sec. 2200.206, 2400.102-104, .113-116.					
	The budgetary statement should present the original budget and final appropriated budget, and actual inflows, outflows, and balances using the government's budgetary basis of accounting.	GASB Cod. Sec. 2200.206					
	A reconciliation of the budgetary comparison statement to GAAP should be provided as a separate schedule or in the notes to the financial statements.	GASB Cod. Sec. 2200.207, footnote 54					
	The excesses of expenditures over appropriations in the general fund and major special revenue funds should be disclosed in the notes to the financial statements.	GASB Cod. Sec. 2200.207					

				0	0	0	(0 of 121 questions answered)
Question #	Question	Standard Reference	Yes	No	N/A	Comments	
<b>Proprietary Fund Financial Statements - General Considerations</b>							
5.1	Do the proprietary fund financial statements include the applicable statements and schedules, appropriate proprietary fund types, and do they focus on major funds?	GASB Cod. Sec. 1100.103b, 1300.103b, .109-.110; 2200.158-.159					
5.2	Does the statement of fund net position --proprietary funds contain the appropriate content and presentation, i.e., is it presented in a classified format to distinguish between current and long-term assets and liabilities for each major enterprise fund, all nonmajor enterprise funds in the aggregate, and all internal service funds in the aggregate?	GASB Cod. Sec. 2200.172					
5.3	Does the statement of revenues, expenses and changes in fund net position -- proprietary funds contain the appropriate content and presentation, i.e., does it report revenues by major source and distinguish between operating and nonoperating revenues and expenses? Does it also separately report nonoperating revenues and expenses, capital contributions, endowment additions, special and extraordinary items, and transfers?	GASB Cod. Sec. 2200.191-.194					
5.4	Does the statement of cash flows--proprietary funds contain the appropriate content and presentation, i.e., does it report the cash effects of an entity's operations, its noncapital financing transactions, its capital and related financing transactions, and its investing transactions?	GASB Cod. Sec. 2450.104, .112					
5.5	Is the statement accompanied by a schedule that reconciles operating income to net cash flow from operating activities, and information about noncash investing, capital, and financing activities?	GASB Cod. Sec. 2450.104, .130					
<b>Fiduciary Fund Financial Statements</b>							
6.1	Do the fiduciary fund financial statements include the applicable statements, appropriate fiduciary fund types, and do they separately present columns for each fiduciary fund type (i.e., pension and other employee benefit trust funds, investment trust funds, private-purpose trust funds, and custodial funds)? Note: If GASB 84 has not been implemented, agency funds, rather than custodial funds, may be presented.	GASB Cod. Sec. 1100.103c, 1300.103c; 2200.197-200					
6.2	Does the statement of fiduciary net position contain the appropriate content and presentation?	GASB Cod. Sec. 2200.198					
6.3	Does the statement of changes in fiduciary net position contain the appropriate content and presentation?	GASB Cod. Sec. 2200.199-200					
<b>Note Disclosures</b>							
	<i>Are the following notes to the financial statements (essential to fair presentation in the basic financial statements) included, as applicable:</i>						
	A summary of significant accounting policies (SSAP) which includes the following items:						
7.1	A description of the government-wide financial statements, noting that fiduciary activities are not included?	GASB Cod. Sec. 2300.106a(1), 2200.111					

			0	0	0	(0 of 121 questions answered)
Question #	Question	Standard Reference	Yes	No	N/A	Comments
7.1.a	A brief description of the component units of the financial reporting entity and their relationships to the primary government?	GASB Cod. Sec. 2300.106a(2), 2600.121				
7.1.b	A description of the activities accounted for in each of the following columns — major funds, internal service funds, and fiduciary fund types — presented in the basic financial statements?	GASB Cod. Sec. 2300.106a(3), 1300.127				
7.1.c	The measurement focus and basis of accounting used in the government-wide financial statements?	GASB Cod. Sec. 2300.106a(4); 1600.103-.104				
7.1.d	The revenue recognition policies used in fund financial statements, including the length of time used to define available for purposes of revenue recognition in the governmental fund financial statements?	GASB Cod. Sec. 2300.106a(5); 1600.106-.115, .130-.131, .138				
7.1.e	The policy for eliminating internal activity in the government-wide statement of activities?	GASB Cod. Sec. 2300.106a(6); 2200.151				
7.1.f	The basis upon which inventory amounts are stated and, where practicable, indication of the method of determining the cost (e.g., average cost, FIFO, and LIFO)?	GASB Cod. Sec. 2300.106a(7); 140.114				
7.1.g	The policy for capitalizing assets and for estimating the useful lives of those assets (used to calculate depreciation expense) and the method(s) used in computing depreciation with respect to major classes of depreciable assets? (Note: If the modified approach is used for reporting eligible infrastructure assets, the SSAP should describe the modified approach.)	GASB Cod. Sec. 2300.106a(8); 1400.102-.104				
7.1.h	A description of the types of transactions included in program revenues and the policy for allocating indirect expenses to functions in the statement of activities?	GASB Cod. Sec. 2300.106a(9); 2200.135-.140, .142				
7.1.i	The policy for defining operating and nonoperating revenues of proprietary funds?	GASB Cod. Sec. 2300.106a(10); P80.115				
7.1.j	The definition of cash and cash equivalents used in the statement of cash flows for proprietary funds?	GASB Cod. Sec. 2300.106a(11); 2450.105-.108				
7.1.k	The government's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available?	GASB Cod. Sec. 2300.106a(12); 1800.157				
7.1.l	The government's fund balance classification policies and procedures?	GASB Cod. Sec. 2300.106a(13); 1800.178				
	Other note disclosures including:					
7.2.a	Cash deposits with financial institutions?	GASB Cod. Sec. 2300.106b, C20				
7.2.b	Investments?	GASB Cod. Sec. 2300.106c, I50				

				0	0	0	(0 of 121 questions answered)
Question #	Question	Standard Reference	Yes	No	N/A	Comments	
7.2.c	Significant contingent liabilities?	GASB Cod. Sec. 2300.106d, 1500.125, C50.115, .161-.164, .167-.168					
7.2.d	Significant effects of subsequent events?	GASB Cod. Sec. 2300.106e, 2250.109-.115					
7.2.e	Pension Liabilities?	GASB Cod. Sec. 2300.106f, P20, P21, P22, P24					
7.2.f	Other postemployment benefit (OPEB) liabilities?	GASB Cod. Sec. 2300.106g, P50, P51, P52, P54					
7.2.g	Significant violations of finance-related legal or contractual provisions and actions taken to address such violations?	GASB Cod. Sec. 2300.106h, 1200.112					
7.2.h	Required disclosures about debt, including debt service requirements to maturity?	GASB Cod. Sec. 2300.106i, 1500.129-130					
7.2.i	Required disclosures about leases, including disclosures related to variable lease payments and residual value guarantees, as applicable? (Note: The June 30, 2021, codification incorporates guidance from GASB 87 Leases. If GASB 87 has not been implemented, refer to the June 30, 2020, codification sections L20.126, .127, .139, .152, .153, .169, 170, and .184)	GASB Cod. Sec. 2300.106j, L20.134-.136, .138, .154-.157, 179, .183, .185					
7.2.j	Construction and other significant commitments, including encumbrances, if appropriate?	GASB Cod. Sec. 2300.106k, 1700.127c					
7.2.k	Required disclosures about capital assets, including lease assets?	GASB Cod. Sec. 2300.106l, .117-.119, .121					
7.2.l	Required disclosures about long-term liabilities?	GASB Cod. Sec. 2300.106m, .120-.121					
7.2.m	Deficit fund balance or net position of individual nonmajor funds?	GASB Cod. Sec. 2300.106n					
7.2.n	Interfund balances and transfers?	GASB Cod. Sec. 2300.106o, .126-.127					
7.2.o	For each major component unit, the nature and amount of significant transactions with other discretely presented component units or with the primary government?	GASB Cod. Sec. 2300.106p, 2600.110					
7.2.p	Disclosures about donor-restricted endowments?	GASB Cod. Sec. 2300.106q, .123					

			0	0	0	(0 of 121 questions answered)
Question #	Question	Standard Reference	Yes	No	N/A	Comments
7.2.q	In separate component unit reports, identification of the primary government in whose financial report the component unit is included and a description of its relationship to the primary government?	GASB Cod. Sec. 2300.107q				
7.2.r	Information about major special revenue funds?	GASB Cod. Sec. 2300.107oo, 1300.105				
7.2.s	Fund balance classification details?	GASB Cod. Sec. 2300.107k, 1800.183				
7.2.t	Minimum fund balance policies?	GASB Cod. Sec. 2300.107oo, 1800.187				
7.2.u	Derivative instruments?	GASB Cod. Sec. 2300.107kk, D40.168-.180				
7.2.v	Investments in common stock?	GASB Cod. Sec. 2300.107ww, I50.145				
7.2.w	Lending and mortgage banking activities?	GASB Cod. Sec. 2300.107bbb, L30.137-.138				
7.2.x	Reverse repurchase and dollar reverse repurchase agreements?	GASB Cod. Sec. 2300.107r, I55.106-.114				
7.2.y	Securities lending transactions?	GASB Cod. Sec. 2300.107s, I60.109-.114				
7.2.z	Property taxes?	GASB Cod. Sec. 2300.107b, P70.104, .108				
7.2.aa	Pension plans—in both separately issued plan financial statements and employer statements? (Note: See the Pension Plan tab as applicable.)	GASB Cod. Sec. 2300.107m, Pe5, Pe6				
7.2.bb	Postemployment benefit plans other than pension plans—in both separately issued plan financial statements and employer statements? (Note: See the OPEB Plan tab as applicable.)	GASB Cod. Sec. 2300.107n, Po50, Po51				
7.2.cc	Termination benefits?	GASB Cod. Sec. 2300.107jj, T25.114-.117				
7.2.dd	Long-term construction-type contracts?	GASB Cod. Sec. 2300.107tt, C75.103				
7.2.ee	Entity risk management activities?	GASB Cod. Sec. 2300.107a, C50..145-.146, , Po20.146				
7.2.ff	Insurance enterprises?	GASB Cod. Sec. 2300.107aaa				
7.2.gg	Short-term debt instruments and liquidity?	GASB Cod. Sec. 2300.107e, .124				

			0	0	0	(0 of 121 questions answered)
Question #	Question	Standard Reference	Yes	No	N/A	Comments
7.2.hh	Special assessment debt and related activities?	GASB Cod. Sec. 2300.107t, S40.126, .127				
7.2.ii	Debt extinguishments and troubled debt restructuring?	GASB Cod. Sec. 2300.107i, D20.114-.120,.124-.128, , .148-.149 .163-.164				
7.2.jj	Demand bonds?	GASB Cod. Sec. 2300.107u, D30.111-.112				
7.2.kk	Bond, tax, or revenue anticipation notes excluded from fund or current liabilities (proprietary funds)?	GASB Cod. Sec. 2300.107o, .116				
7.2.ll	Certain asset retirement obligations?	GASB Cod. Sec. 2300.107v, A10.124-126				
7.2.mm	Landfill closure and postclosure care?	GASB Cod. Sec. 2300.107w, L10.115-.116				
7.2.nn	Pollution remediation obligations?	GASB Cod. Sec. 2300.107x, P40.123-.124				
7.2.oo	Entity involvement in conduit debt obligations?	GASB Cod. Sec. 2300.107z, C65.102				
7.2.pp	Short-term obligations?	GASB Cod. Sec. 2300.107ss, .116				
7.2.qq	Interfund eliminations in fund financial statements not apparent from headings?	GASB Cod. Sec. 2300.107l, 2200, footnote 5				
7.2.rr	Nonexchange transactions, including grants, taxes, and contributions, that are not recognized because they are not measurable?	GASB Cod. Sec. 2300.107j				
7.2.ss	On-behalf payments for fringe benefits and salaries?	GASB Cod. Sec. 2300.107y, N50.138, P20 .145, .182,.212-.217, .220, P21 .115, .119, .120, .122, P22.136, .158, .170, .185, P24.111, .114, .118, .119, .121, P50.153, .196, .231-.237, .240, P51.110, .113, .117, .118, .120, P52.162, .183, .189-.193, .196				

				0	0	0	(0 of 121 questions answered)
Question #	Question	Standard Reference	Yes	No	N/A	Comments	
7.2.tt	Significant transactions or other events that are either unusual or infrequent but not within the control of management?	GASB Cod. Sec. 2300.107cc, 2200.144, .168					
7.2.uu	The amount of interest expense included in direct expenses in the government-wide statement of activities?	GASB Cod. Sec. 2300.107bb, 2200.134					
7.2.vv	Discounts and allowances that reduce gross revenues, when not reported on the face of the financial statements?	GASB Cod. Sec. 2300.107ee, 2200, footnote 44					
7.2.ww	Future revenues that are pledged or sold?	GASB Cod. Sec. 2300.107jj, .128-.129					
7.2.xx	Description of receivables and payables that represent contractual rights to receive money or contractual obligations to pay money on fixed or determinable dates, whether or not there is any stated provision for interest, including the effective interest rate and the face amount?	GASB Cod. Sec. 2300.107xx, I30.115					
7.2.yy	Nonmonetary transactions?	GASB Cod. Sec. 2300.107yy, N70.109					
7.2.zz	Foreign currency transactions?	GASB Cod. Sec. 2300.107zz, F70.106-.107					
7.2.aaa	The amount of the primary government's net position at the end of the reporting period that are restricted by enabling legislation?	GASB Cod. Sec. 2300.107hh, 2200.119-.121					
7.2.bbb	Segment information for enterprise funds?	GASB Cod. Sec. 2300.107c, 2500.101					
7.2.ccc	Condensed financial statements for major discretely presented component units?	GASB Cod. Sec. 2300.107d, 2600.109					
7.2.ddd	Nature and amount of inconsistencies in financial statements caused by transactions between component units having different fiscal year-ends or changes in component unit fiscal year-ends?	GASB Cod. Sec. 2300.107p, 2600.121					
7.2.eee	The nature of the primary government's accountability for related organizations?	GASB Cod. Sec. 2300.107g, 2600.128					
7.2.fff	Joint ventures and jointly governed organizations?	GASB Cod. Sec. 2300.107h, J50.109-.111					
7.2.ggg	Related-party transactions?	GASB Cod. Sec. 2300.107f, 2250.103					
7.2.hhh	Sponsoring government disclosures about external investment pools reported as investment trust funds?	GASB Cod. Sec. 2300.107aa, In5.103, .141					
7.2.iii	Nature of individual elements of a particular reconciling item, if obscured in the aggregated information in the summary reconciliation of the fund financial statements to the government-wide statements?	GASB Cod. Sec. 2300.107dd, 2200.160					

Question #	Question	Standard Reference	0	0	0	(0 of 121 questions answered)
			Yes	No	N/A	Comments
7.2.jjj	Disaggregation of receivable and payable balances?	GASB Cod. Sec. 2300.107ff, .125				
7.2.kkk	Impairment losses, idle impaired capital assets, and insurance recoveries, when not otherwise apparent from the face of the financial statements?	GASB Cod. Sec. 2300.107gg, 1400.177, .180- .181				
7.2.lll	Information about deferred outflows and deferred inflows of resources and the effect on net position?	GASB Cod. Sec. 2300.107ff, .130-.131				
7.2.mmm	Conditions and events giving rise to substantial doubt about the government's ability to continue as a going concern?	GASB Cod. Sec. 2300.107ll, 2250.120				
7.2.nnn	Required disclosures about bankruptcies?	GASB Cod. Sec. 2300.107mm, Bn5.114				
7.2.ooo	Stabilization arrangements?	GASB Cod. Sec. 2300.107nn, 1800.186				
7.2.ppp	Changes in the manner of or basis for presenting corresponding items for two or more periods in comparative financial statements?	GASB Cod. Sec. 2300.107qq, 2200.202				
7.2.qqq	Asset valuation allowances?	GASB Cod. Sec. 2300.107rr, 2200.179				
7.2.rrr	Effects of prior-period adjustments on the change in net position of prior periods?	GASB Cod. Sec. 2300.107uu, 2200.150, 2250.125				
7.2.sss	Accounting changes and error corrections?	GASB Cod. Sec. 2300.107vv, 2250.138, .148, .150, .152				
7.2.ttt	Retail land sales operations?	GASB Cod. Sec. 2300.107ccc, R30.151				
7.2.uuu	Research and development arrangements?	GASB Cod. Sec. 2300.107ddd, R50.111				
7.2.vvv	Regulated business-type activities?	GASB Cod. Sec. 2300.107eee, Re10.126				
7.2.www	Service concession arrangements?	GASB Cod. Sec. 2300.107ggg, S30.112-.114				
7.2.xxx	Nonexchange financial guarantees extended or received?	GASB Cod. Sec. 2300.107hhh, N30.111-.113				
7.2.yyy	Government combinations and disposals of government operations?	GASB Cod. Sec. 2300.107iii, Co10.152-.155				
7.2.zzz	Fair value measurements?	GASB Cod. Sec. 2300.107jjj, 3100.161-.163				

			0	0	0	(0 of 121 questions answered)
Question #	Question	Standard Reference	Yes	No	N/A	Comments
7.2.aaaa	Tax abatements?	GASB Cod. Sec. 2300.107kkk, T10				
<b>Required Supplementary Information (RSI)</b>						
8.1.	Is all RSI, other than MD&A, located immediately following the notes to the financial statements?	GASB Cod. Sec. 2200.105b(4)				
8.2.	If the budgetary comparisons are presented as RSI (rather than as a budgetary comparison statement as part of the basic financial statements), does the schedule contain the appropriate content and presentation including:	GASB Cod. Sec. 2200.206-207				
	The budgetary comparison should be titled a schedule rather than a statement.	GASB Cod. Sec. 2200.206, footnote 51				
	The budgetary schedule should include a separate column for the general fund and each major special revenue fund. (Note: Governments not able to present budgetary comparisons for the general fund and each major special revenue fund because of perspective differences must present the schedule based on the fund, organization, or program structure used for its legally adopted budget.)	GASB Cod. Sec. 2200.206, 2400.113-.116				
	The budgetary schedule should present the original budget and final appropriated budget, and actual data using the budgetary basis of accounting.	GASB Cod. Sec. 2200.206				
	If applicable, a reconciliation to GAAP should be provided in the notes to RSI.	GASB Cod. Sec. 2200.207				
	The excesses of expenditures over appropriations in the general fund and major special revenue funds should be disclosed in the notes to RSI.	GASB Cod. Sec. 2200.207				
8.3	If the government uses the modified approach for one or more networks or subsystems of infrastructure assets, are the appropriate schedules and disclosures presented and complete including:	GASB Cod. Sec. 1400.118-.119				
	The schedule should provide information on the assessed condition, performed at least every three years, for at least the three most recent complete condition assessments.					
	The schedule should provide the estimated annual amount calculated to maintain or preserve at (or above) the condition level established and disclosed by the government compared with the amounts actually expended for each of the past five reporting periods.					
	The basis for the condition measurement and the measurement scale used to assess and report condition should be disclosed.					
	The condition level at which the government intends to preserve its eligible infrastructure assets reported using the modified approach should be disclosed.					

				0	0	0	(0 of 121 questions answered)
Question #	Question	Standard Reference	Yes	No	N/A	Comments	
	Factors that significantly affect trends in the information reported in the required schedules should be disclosed. If there is a change in the condition level at which the government intends to preserve infrastructure assets, the notes to RSI should contain an estimate of the effect of the change on the estimated annual amount in the current period to maintain and preserve those assets.						
	Regarding the pension liability, are the following schedules of required supplementary information present and complete and do they include applicable notes to the required schedules?						
8.4	Schedule of Changes in Net or Total Pension Liability	GASB Cod. Sec. P20, P22					
8.5	Schedule of Contributions	GASB Cod. Sec. P20					
	Regarding the OPEB liability, are the following schedules of required supplementary information present and complete and do they include applicable notes to the required schedules?						
8.6	Schedule of Changes in Net or Total OPEB Liability	GASB Cod. Sec. P50, P52					
8.7	Schedule of Contributions	GASB Cod. Sec. P50					
8.8	If the government sponsors a public-entity risk pool, does the RSI present ten years of data on revenues and claims development (unless the notes contain a reference to a separately issued report)?	GASB Cod. Sec. Po20.147					
<b>For questions on Pension and OPEB Plans, See the Pension Plan and OPEB Plan tabs</b>							

			0	0	0	(0 of 6 questions answered)
Question #	Question	Standard Reference	Yes	No	N/A	Comments
<b>Pension Plans</b>						
<i>GASB 67, as amended by GASB 73 and GASB 82, for Defined Benefit Pension Plans Administered Through Trusts</i>						
<i>Questions for stand-alone financial statements for pension plans or for ACFR when stand-alone financial statements are not issued for pension plans.</i>						
	<i>Note: all references in this checklist are to the GASB Codification as of June 30, 2021, unless noted otherwise</i>					
9.1	Do the financial statements include a Statement of Fiduciary Net Position (which includes information about assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position, as applicable, as of the end of the pension plan's reporting period) and appropriately present the following?	GASB Cod. Sec. Pe5.112a				
	Major categories of assets held (such as cash and cash equivalents, receivables, investments, and assets used in plan operations)	GASB Cod. Sec. Pe5.113				
	Principal components of the receivables and investments categories	GASB Cod. Sec. Pe5.114-.117				
	Liabilities representing benefits that are due and payable in accordance with the benefit terms and accrued investment and administrative expenses	GASB Cod. Sec. Pe5.118				
9.2	Do the financial statements include a Statement of Changes in Fiduciary Net Position (which includes information about the additions to, deductions from, and net increase (or decrease) in fiduciary net position for the pension plan's reporting period) and appropriately present the following?	GASB Cod. Sec. Pe5.112b				
	Additions separately displaying the following, if applicable: employer contributions, contributions from nonemployer contributing entities, plan member contributions, and net investment income	GASB Cod. Sec. Pe5.120				
	Investment income and expense	GASB Cod. Sec. Pe5.121-.122				
	Deductions separately displaying 1) benefits payments to plan members and 2) total administrative expenses	GASB Cod. Sec. Pe5.123-.124				
9.3	Are the following pension related note disclosures adequate?	GASB Cod. Sec. Pe5.126				
	Plan Description					
	Pension Plan Investments					
	Receivables					
	Allocated Insurance Contracts					

			0	0	0	(0 of 6 questions answered)
Question #	Question	Standard Reference	Yes	No	N/A	Comments
	Reserves					
	Deferred Retirement Option Program					
9.4	For Single-Employer and Cost-Sharing Plans only, are the following pension related note disclosures adequate?	GASB Cod. Sec. Pe5.127				
	Components of the liability of the employers and nonemployer contributing entities to plan members for benefits provided through the pension plan					
	Significant assumptions and other inputs used to measure the total pension liability					
	The date of the actuarial valuation on which the liability is based and, if applicable, information about update procedures used to roll forward the total pension liability to the pension plan's fiscal year-end					
9.5	For Single-Employer and Cost-Sharing Plans only, are the following 10-year schedules of required supplementary information present and complete and do they include applicable notes to the required schedules?	GASB Cod. Sec. Pe5.128, .130				
	Schedule of Changes in Net Pension Liability					
	Schedule of Net Pension Liability					
	Schedule of Contributions					
	Schedule of Investment Returns					
9.6	For Agent Plans only, is a 10-year Schedule of Investment Returns presented as required supplementary information?	GASB Cod. Sec. Pe5.129, .130				

Question #	Question	Standard Reference	0	0	0	(0 of 6 questions answered)
			Yes	No	N/A	Comments
<b>OPEB Plans</b>						
<b><i>GASB 74, as amended by GASB 85, for Defined Benefit OPEB Plans Administered Through Trusts</i></b>						
<b><i>Questions for stand-alone financial statements for OPEB plans or for ACFR when stand-alone financial statements are not issued for OPEB Plans.</i></b>						
	<b><i>Note: all references in this checklist are to the GASB Codification as of June 30, 2021, unless noted otherwise</i></b>					
10.1	Do the financial statements include a Statement of Fiduciary Net Position (which includes information about assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position, as applicable, as of the end of the OPEB plan's reporting period) and appropriately present the following?	GASB Cod. Sec. Po50.114a				
	Major categories of assets held (such as cash and cash equivalents, receivables, investments, and capital assets)	GASB Cod. Sec. Po50.115				
	Principal components of the receivables and investments categories	GASB Cod. Sec. Po50.116-.119				
	Liabilities representing benefits that are due and payable in accordance with the benefit terms and accrued investment and administrative expenses	GASB Cod. Sec. Po50.120				
10.2	Do the financial statements include a Statement of Changes in Fiduciary Net Position (which includes information about the additions to, deductions from, and net increase (or decrease) in fiduciary net position for the OPEB plan's reporting period) and appropriately present the following ?	GASB Cod. Sec. Po50.114b				
	Additions separately displaying the following, if applicable: employer contributions, contributions from nonemployer contributing entities, contributions from active plan members and inactive plan members not yet receiving benefits, and net investment income	GASB Cod. Sec. Po50.122				
	Investment income and expense	GASB Cod. Sec. Po50.123-.124				
	Deductions separately displaying 1) benefits payments to plan members and 2) total administrative expenses. Benefit payments should exclude amounts paid by inactive plan members.	GASB Cod. Sec. Po50.125				
10.3	Are the following OPEB related note disclosures adequate?	GASB Cod. Sec. Po50.128				
	Plan Description					
	OPEB Plan Investments					
	Receivables					

Question #	Question	Standard Reference	Yes	No	N/A	Comments
	Allocated Insurance Contracts Reserves					
10.4	For Single-Employer and Cost-Sharing Plans only, are the following OPEB related note disclosures adequate?	GASB Cod. Sec. Po50.129				
	Components of the liability of the employers and nonemployer contributing entities to plan members for benefits provided through the OPEB plan					
	Significant assumptions and other inputs used to measure the total OPEB liability					
	The date of the actuarial valuation or alternative measurement method calculation on which the OPEB liability is based and, if applicable, the fact that update procedures were used to roll forward the total OPEB liability to the OPEB plan's fiscal year-end. If the alternative measurement method permitted by this section is used to measure the total OPEB liability, the fact that this alternative method was used in place of an actuarial valuation also should be disclosed.					
10.5	For Single-Employer and Cost-Sharing Plans only, are the following 10-year schedules of required supplementary information present and complete and do they include applicable notes to the required schedules?	GASB Cod. Sec. Po50.130, .132				
	Schedule of Changes in Net OPEB Liability					
	Schedule of Net OPEB Liability					
	Schedule of Contributions					
	Schedule of Investment Returns					
10.6	For Agent Plans only, is a 10-year Schedule of Investment Returns presented as required supplementary information?	GASB Cod. Sec. Po50.131-.132				



## **Conclusions of the External Peer Review for Financial Audits**

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### **Purpose**

This document provides guidance to the external peer review team in reaching conclusions about the audit organization's system of quality control. In drawing its conclusions, the review team should remember that any matters identified in the organization's quality control policies and procedures or compliance therewith cannot be viewed in isolation.

Matters should be considered for their significance in relation to the organization's overall quality control system, its organizational structure, and the nature of its audit function. The review team should consider the nature, cause, pattern, significance, frequency, and pervasiveness of matters noted in the review to evaluate whether the reviewed organization has complied with its quality control policies and procedures in all material respects and a peer review rating of *pass* is appropriate, or whether a *pass with deficiency(ies)* or *fail* rating is appropriate. In considering instances of noncompliance, the review team should consider whether the noncompliance resulted from policies or procedures that exceed policies and procedures that would be required in the circumstances to assure compliance with applicable professional standards.

Compliance, for the purpose of determining reasonable assurance with professional standards, means adherence to a prescribed quality control policy or procedure in all material respects; it does not imply adherence to a prescribed policy or procedure in every case. Variance in individual performance and professional interpretation affects the degree of compliance with an organization's prescribed quality control policies and procedures. Adherence to all policies and procedures in every case may not be possible; nevertheless, a high degree of compliance is to be expected.

### **Instructions for Completing the Form**

For each AICPA AU-C and GAGAS section specified below on the Conclusions document, the review team is asked to refer to and draw conclusions from the information compiled on the "Matters for Further Consideration" form. Matters that have been cleared on the MFC Form are not brought forward to this document. Further, matters that the review team has determined will be discussed verbally with the audit organization are also not brought forward to this document. These matters may be discussed with the state audit organization at the exit conference. At the request of the state audit organization, summary notes or an outline of these matters may be provided at the exit conference to facilitate the discussion of these issues.

For matters brought forward to the Conclusions document, the review team should determine whether those matters could prevent reasonable assurance of performing and reporting in compliance with professional standards overall, part(s) of one or more individual standards, or are of lesser significance but still should be communicated to the organization.

In evaluating the matters brought forward to the Conclusions document, the review team must consider the pattern and pervasiveness of matters and their implications for compliance with the audit organization's system of quality control as a whole, in addition to their nature, causes, and relative importance in the specific circumstances in which they were observed. The review team's first task is to try to determine why the matters occurred. In some cases, the *design* of the audit organization's system of quality control may be deficient (for example, when there is inadequate supervision of engagement planning). In other cases, there may be a pattern of *noncompliance* with a quality control policy or procedure such as when audit organization policy requires the completion of a financial statement disclosure checklist but such checklists often were not used or relevant questions or points were incorrectly considered. That increases the possibility that the audit organization might not perform and/or report in conformity with applicable professional standards in all material respects. This also means that the reviewer must consider carefully whether the matter(s) individually or in the aggregate is a deficiency or a significant deficiency and whether there is the need to issue a peer review report with a peer review rating of *pass with deficiencies* or *fail*.

On the other hand, the types of matters noted may be individually different, not individually significant, and not directly traceable to the design of or compliance with a particular quality control policy or procedure. This may lead the reviewer to the conclusion that the matters were isolated cases of human error that should not result in a peer review report with a peer review rating of *pass with deficiencies* or *fail*.

Finally, the review team is asked to conclude whether the organization's overall quality control system should receive a peer review report rating of *pass*, *pass with deficiency(ies)* or *fail*. Findings not rising to the level of a deficiency or significant deficiency should be reported to the state audit organization on an FFC form.

Guidance for reporting on external peer reviews is included in the "Policies and Procedures for the NSAA External Peer Review Program" (section II of the Peer Review Manual). The "Reporting Matrix" from section II has been included in this document for guidance in making decisions on the various reporting options. The review team should refer to section II and the Reporting Matrix as it reaches conclusions on the review.

**REPORTING MATRIX  
GENERAL GUIDANCE FOR REPORTING CONSIDERATIONS**

<b>Items noted during peer review</b>	<b>Severity of design/compliance matters</b>	<b><i>In general, the design, including documentation and communication, of the organization's system of quality control was...</i></b>	<b><i>In general, compliance with the organization's system of quality control was...</i></b>	<b><i>In general, the design/compliance matters noted related to...</i></b>	<b><i>In general, the compliance matters noted were....</i></b>	<b><i>Considering the overall design and compliance, the organization's system of quality control....</i></b>	<b><i>Type of peer review report to issue</i></b>
Matter <i>Documented on an MFC form</i> (See page II-20)	Isolated or insignificant	Adequate for complying with applicable professional standards <sup>(a)</sup> overall	Sufficient on overall system	Part(s) of at least one standard	Isolated occurrences (often related to only one or a few engagements)	Provided a reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects	Pass
Finding <i>Documented on an FFC form</i> (See pages II-20)	Moderate	Adequate for complying with applicable professional standards overall; however, inadequate for part(s) of one or more individual standards	Sufficient on overall system; however, insufficient for part(s) of at least one standard	Part(s) of at least one standard	Recurring and pervasive (in multiple engagements reviewed)	After considering the findings identified, provided a reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects	Pass
Deficiency <i>Communicated in the report</i> (See pages II-20)	Serious	Adequate for complying with applicable professional standards overall; however, inadequate for substantially one standard or several parts of several standards <sup>(b)</sup>	Sufficient on overall system; however, insufficient for one standard or several parts of several standards	Substantially one standard or several parts of several standards	Recurring and pervasive (in multiple engagements reviewed)	Provided a reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects with the exception of a certain deficiency or deficiencies that are described in the report	Pass with deficiencies
Significant Deficiency <i>Communicated in the report</i> (See page II-20)	Severe	Inadequate for complying with applicable professional standards overall <sup>(b)</sup>	Insufficient on overall system	Several standards	Recurring and pervasive (in multiple engagements reviewed)	Did not provide a reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects	Fail

- (a) For purposes of this matrix, "standards" includes individual government auditing standards, individual AU-C Sections (e.g., AU-C 230), and individual AT Sections.
- (b) In the absence of matters noted in the engagements reviewed, the reviewer would normally conclude that matters noted in the design of the QC system should only be reported as a finding and not elevated to a deficiency or significant deficiency.

## Conclusions of the External Peer Review for Financial Audits

### GAGAS General Standards

GAGAS establishes general standards and provides guidance for performing financial audits under generally accepted government auditing standards. These general standards, along with the overarching ethical principles of GAGAS (GAO 3.02-.16) establish a foundation for the credibility of auditors' work. These general standards relate to:

- Independence (GAO 3.17-.108)
- Professional Judgment (GAO 3.109-.117)
- Competence (GAO 4.02-.15)
- Continuing Professional Education (GAO 4.16-.53)
- Quality Control and Assurance (GAO 5.02-.59)
- External Peer Review (GAO 5.60-.95)

1. If, after considering the information compiled on the "Matters for Further Consideration" form, the team concludes that the organization's system of quality control for these professional standards is suitably designed and complied with to provide the audit organization with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects, check here \_\_\_\_\_.
  
2. If the team concludes that the matters identified in the organization's system of quality control could adversely affect compliance with these professional standards or part(s) thereof, or are of lesser significance but still should be communicated, summarize those matters below and indicate how the team would report on them. (Note: These conclusions may be preliminary, depending on the types of matters identified for other professional standards and the existence of compensating policies or procedures.)

MFC#	Summary of matters to be communicated to the organization, either in the report or on an FFC form (as applicable). Explain the significance of the matters being commented on.	Reporting Implications (Check One)		
		Represents a severe, recurring, and pervasive matter. Does not provide reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Include as a significant deficiency in a peer review report with a rating of <i>fail</i> .	Represents a serious, recurring, and pervasive matter. Provides reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects with the exception of a certain deficiency(ies). Include as a deficiency(ies) in a peer review report with a rating of <i>pass with deficiency(ies)</i> .	Represents a matter of moderate significance that is recurring and pervasive. After considering the findings identified, provides reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Report as a finding on an FFC form.

**Conclusions of the External  
Peer Review for Financial Audits**

**AICPA Standards – General Principles and Responsibilities**

- Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Generally Accepted Auditing Standards (AU-C 200B)
- Terms of Engagement (AU-C 210B)
- Quality Control for an Engagement Conducted in Accordance With Generally Accepted Auditing Standards (AU-C 220B)
- Audit Documentation (AU-C 230B)
- Consideration of Fraud in a Financial Statement Audit (AU-C 240B)
- Consideration of Laws and Regulations in an Audit of Financial Statements (AU-C 250B)
- The Auditor’s Communication With Those Charged With Governance (AU-C 260B)
- Communicating Internal Control Related Matters Identified in an Audit (AU-C 265B)

1. If, after considering the information compiled on the “Matters for Further Consideration” form, the team concludes that the organization’s system of quality control for these professional standards is suitably designed and complied with to provide the audit organization with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects, check here \_\_\_\_\_.
  
2. If the team concludes that the matters identified in the organization’s system of quality control could adversely affect compliance with these professional standards or part(s) thereof, or are of lesser significance but still should be communicated, summarize those matters below and indicate how the team would report on them. (Note: These conclusions may be preliminary, depending on the types of matters identified for other professional standards and the existence of compensating policies or procedures.)

MFC#	Summary of matters to be communicated to the organization, either in the report or on an FFC form (as applicable). Explain the significance of the matters being commented on.	Reporting Implications (Check One)		
		Represents a severe, recurring, and pervasive matter. Does not provide reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Include as a significant deficiency in a peer review report with a rating of <i>fail</i> .	Represents a serious, recurring, and pervasive matter. Provides reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects with the exception of a certain deficiency(ies). Include as a deficiency(ies) in a peer review report with a rating of <i>pass with deficiency(ies)</i> .	Represents a matter of moderate significance that is recurring and pervasive. After considering the findings identified, provides reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Report as a finding on an FFC form.

**Conclusions of the External  
Peer Review for Financial Audits**

**AICPA Standards – Risk Assessment and Response to Assessed Risks**

- Planning an Audit (AU-C 300B)
- Understanding the Entity and its Environment and Assessing the Risks of Material Misstatement (AU-C 315B)
- Materiality in Planning and Performing an Audit (AU-C 320B)
- Performing Audit Procedures in Response to Assessed Risks and Evaluating the Audit Evidence Obtained (AU-C 330B)
- Audit Considerations Relating to an Entity Using a Service Organization (AU-C 402B)
- Evaluation of Misstatements Identified During the Audit (AU-C 450B)

1. If, after considering the information compiled on the “Matters for Further Consideration” form, the team concludes that the organization’s system of quality control for these professional standards is suitably designed and complied with to provide the audit organization with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects, check here \_\_\_\_\_.
  
2. If the team concludes that the matters identified in the organization’s system of quality control could adversely affect compliance with these professional standards or part(s) thereof, or are of lesser significance but still should be communicated, summarize those matters below and indicate how the team would report on them. (Note: These conclusions may be preliminary, depending on the types of matters identified for other professional standards and the existence of compensating policies or procedures.)

MFC#	Summary of matters to be communicated to the organization, either in the report or on an FFC form (as applicable). Explain the significance of the matters being commented on.	Reporting Implications (Check One)		
		Represents a severe, recurring, and pervasive matter. Does not provide reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Include as a significant deficiency in a peer review report with a rating of <i>fail</i> .	Represents a serious, recurring, and pervasive matter. Provides reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects with the exception of a certain deficiency(ies). Include as a deficiency(ies) in a peer review report with a rating of <i>pass with deficiency(ies)</i> .	Represents a matter of moderate significance that is recurring and pervasive. After considering the findings identified, provides reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Report as a finding on an FFC form.

**Conclusions of the External  
Peer Review for Financial Audits**

**AICPA Standards – Audit Evidence**

- Audit Evidence (AU-C 500B)
- Audit Evidence – Specific Considerations for Selected Items (AU-C 501B)
- External Confirmations (AU-C 505B)
- Opening Balances – Initial Audit Engagements, Including Reaudit Engagements (AU-C 510B)
- Analytical Procedures (AU-C 520B)
- Audit Sampling (AU-C 530B)
- Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures (AU-C 540B)
- Related Parties (AU-C 550B)
- Subsequent Events and Subsequently Discovered Facts (AU-C 560B)
- The Auditor’s Consideration of an Entity’s Ability to Continue as a Going Concern (AU-C 570B)
- Written Representations (AU-C 580B)
- Consideration of Omitted Procedures After the Report Date (AU-C 585B)

1. If, after considering the information compiled on the “Matters for Further Consideration” form, the team concludes that the organization’s system of quality control for these professional standards is suitably designed and complied with to provide the audit organization with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects, check here \_\_\_\_\_.
  
2. If the team concludes that the matters identified in the organization’s system of quality control could adversely affect compliance with these professional standards or part(s) thereof, or are of lesser significance but still should be communicated, summarize those matters below and indicate how the team would report on them. (Note: These conclusions may be preliminary, depending on the types of matters identified for other professional standards and the existence of compensating policies or procedures.)

MFC#	Summary of matters to be communicated to the organization, either in the report or on an FFC form (as applicable). Explain the significance of the matters being commented on.	Reporting Implications (Check One)		
		Represents a severe, recurring, and pervasive matter. Does not provide reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Include as a significant deficiency in a peer review report with a rating of <i>fail</i> .	Represents a serious, recurring, and pervasive matter. Provides reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects with the exception of a certain deficiency(ies). Include as a deficiency(ies) in a peer review report with a rating of <i>pass with deficiency(ies)</i> .	Represents a matter of moderate significance that is recurring and pervasive. After considering the findings identified, provides reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Report as a finding on an FFC form.

**Conclusions of the External  
Peer Review for Financial Audits**

**AICPA Standards – Using the Work of Others**

- Special Considerations—Audits of Group Financial Statements (Including the Work of Component Auditors) (AU-C 600B)
  - Using the Work of Internal Auditors (AU-C 610B)
  - Using the Work of an Auditor’s Specialist (AU-C 620B)
1. If, after considering the information compiled on the “Matters for Further Consideration” form, the team concludes that the organization’s system of quality control for these professional standards is suitably designed and complied with to provide the audit organization with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects, check here \_\_\_\_\_.
  
  2. If the team concludes that the matters identified in the organization’s system of quality control could adversely affect compliance with these professional standards or part(s) thereof, or are of lesser significance but still should be communicated, summarize those matters below and indicate how the team would report on them. (Note: These conclusions may be preliminary, depending on the types of matters identified for other professional standards and the existence of compensating policies or procedures.)

MFC#	Summary of matters to be communicated to the organization, either in the report or on an FFC form (as applicable). Explain the significance of the matters being commented on.	Reporting Implications (Check One)		
		Represents a severe, recurring, and pervasive matter. Does not provide reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Include as a significant deficiency in a peer review report with a rating of <i>fail</i> .	Represents a serious, recurring, and pervasive matter. Provides reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects with the exception of a certain deficiency(ies). Include as a deficiency(ies) in a peer review report with a rating of <i>pass with deficiency(ies)</i> .	Represents a matter of moderate significance that is recurring and pervasive. After considering the findings identified, provides reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Report as a finding on an FFC form.

**Conclusions of the External  
Peer Review for Financial Audits**

**GAGAS – Additional Requirements for Conducting Financial Audits:**

- Auditor Communication (GAO 6.06-.10)
- Results of Previous Engagements (GAO 6.11)
- Investigations or Legal Proceedings (GAO 6.12-.14)
- Noncompliance with Provisions of Laws, Regulations, Contracts, and Grant Agreements (GAO 6.15-.16)
- Findings (GAO 6.17-.30)
- Audit Documentation (GAO 6.31-6.33)
- Availability of Individuals and Documentation (GAO 6.34-.35)

1. If, after considering the information compiled on the “Matters for Further Consideration” form, the team concludes that the organization’s system of quality control for these professional standards is suitably designed and complied with to provide the audit organization with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects, check here \_\_\_\_\_.
  
2. If the team concludes that the matters identified in the organization’s system of quality control could adversely affect compliance with these professional standards or part(s) thereof, or are of lesser significance but still should be communicated, summarize those matters below and indicate how the team would report on them. (Note: These conclusions may be preliminary, depending on the types of matters identified for other professional standards and the existence of compensating policies or procedures.)

MFC#	Summary of matters to be communicated to the organization, either in the report or on an FFC form (as applicable). Explain the significance of the matters being commented on.	Reporting Implications (Check One)		
		Represents a severe, recurring, and pervasive matter. Does not provide reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Include as a significant deficiency in a peer review report with a rating of <i>fail</i> .	Represents a serious, recurring, and pervasive matter. Provides reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects with the exception of a certain deficiency(ies). Include as a deficiency(ies) in a peer review report with a rating of <i>pass with deficiency(ies)</i> .	Represents a matter of moderate significance that is recurring and pervasive. After considering the findings identified, provides reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Report as a finding on an FFC form.

**Conclusions of the External  
Peer Review for Financial Audits**

**AICPA Standards – Audit Conclusions and Reporting**

- Forming an Opinion and Reporting on Financial Statements (AU-C 700B)
- Modifications to the Opinion in the Independent Auditor’s Report (AU-C 705B)
- Emphasis-of-Matter Paragraphs and Other-Matter Paragraphs in the Independent Auditor’s Report (AU-C 706B)
- Consistency of Financial Statements (AU-C 708B)
- Other Information in Documents Containing Audited Financial Statements (AU-C 720B)
- Supplementary Information in Relation to the Financial Statements as a Whole (AU-C 725B)
- Required Supplementary Information (AU-C 730B)

1. If, after considering the information compiled on the “Matters for Further Consideration” form, the team concludes that the organization’s system of quality control for these professional standards is suitably designed and complied with to provide the audit organization with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects, check here \_\_\_\_\_.
  
2. If the team concludes that the matters identified in the organization’s system of quality control could adversely affect compliance with these professional standards or part(s) thereof, or are of lesser significance but still should be communicated, summarize those matters below and indicate how the team would report on them. (Note: These conclusions may be preliminary, depending on the types of matters identified for other professional standards and the existence of compensating policies or procedures.)

MFC#	Summary of matters to be communicated to the organization, either in the report or on an FFC form (as applicable). Explain the significance of the matters being commented on.	Reporting Implications (Check One)		
		Represents a severe, recurring, and pervasive matter. Does not provide reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Include as a significant deficiency in a peer review report with a rating of <i>fail</i> .	Represents a serious, recurring, and pervasive matter. Provides reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects with the exception of a certain deficiency(ies). Include as a deficiency(ies) in a peer review report with a rating of <i>pass with deficiency(ies)</i> .	Represents a matter of moderate significance that is recurring and pervasive. After considering the findings identified, provides reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Report as a finding on an FFC form.

**Conclusions of the External  
Peer Review for Financial Audits**

**GAGAS – Additional Requirements for Reporting on Financial Audits**

In addition to the AICPA requirements for reporting, auditors should comply with the following additional requirements when citing GAGAS in their audit reports. The additional requirements relate to:

- Reporting the Auditors' Compliance with GAGAS (GAO 6.36-.38)
- Reporting on Internal Control; Compliance with Provisions of Laws, Regulations, Contracts, and Grant Agreements; and Instances of Fraud (GAO 6.39-.49)
- Presenting Findings in the Audit Report (GAO 6.50-.52)
- Reporting Findings Directly to Parties Outside the Audited Entity (GAO 6.53-.56)
- Obtaining and Reporting the Views of Responsible Officials (GAO 6.57-.62)
- Reporting Confidential or Sensitive Information (GAO 6.63-.69)
- Distributing Reports (GAO 6.70)

1. If, after considering the information compiled on the "Matters for Further Consideration" form, the team concludes that the organization's system of quality control for these professional standards is suitably designed and complied with to provide the audit organization with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects, check here \_\_\_\_\_.
  
2. If the team concludes that the matters identified in the organization's system of quality control could adversely affect compliance with these professional standards or part(s) thereof, or are of lesser significance but still should be communicated, summarize those matters below and indicate how the team would report on them. (Note: These conclusions may be preliminary, depending on the types of matters identified for other professional standards and the existence of compensating policies or procedures.)

MFC#	Summary of matters to be communicated to the organization, either in the report or on an FFC form (as applicable). Explain the significance of the matters being commented on.	Reporting Implications (Check One)		
		Represents a severe, recurring, and pervasive matter. Does not provide reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Include as a significant deficiency in a peer review report with a rating of <i>fail</i> .	Represents a serious, recurring, and pervasive matter. Provides reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects with the exception of a certain deficiency(ies). Include as a deficiency(ies) in a peer review report with a rating of <i>pass with deficiency(ies)</i> .	Represents a matter of moderate significance that is recurring and pervasive. After considering the findings identified, provides reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Report as a finding on an FFC form.

**Conclusions of the External  
Peer Review for Financial Audits**

**AICPA Standards – Special Considerations**

- Special Considerations—Audits of Financial Statements Prepared in Accordance With Special Purpose Frameworks (AU-C 800B)
  - Special Considerations—Audits of Single Financial Statements and Specific Elements, Accounts, or Items of a Financial Statement (AU-C 805B)
  - Reporting on Compliance With Aspects of Contractual Agreements or Regulatory Requirements in Connection With Audited Financial Statements (AU-C 806B)
  - Alert That Restricts the Use of the Auditor’s Written Communication (AU-C 905B)
  - Compliance Audits (AU-C 935B)
1. If, after considering the information compiled on the “Matters for Further Consideration” form, the team concludes that the organization’s system of quality control for these professional standards is suitably designed and complied with to provide the audit organization with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects, check here \_\_\_\_\_.
  
  2. If the team concludes that the matters identified in the organization’s system of quality control could adversely affect compliance with these professional standards or part(s) thereof, or are of lesser significance but still should be communicated, summarize those matters below and indicate how the team would report on them. (Note: These conclusions may be preliminary, depending on the types of matters identified for other professional standards and the existence of compensating policies or procedures.)

MFC#	Summary of matters to be communicated to the organization, either in the report or on an FFC form (as applicable). Explain the significance of the matters being commented on.	Reporting Implications (Check One)		
		Represents a severe, recurring, and pervasive matter. Does not provide reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Include as a significant deficiency in a peer review report with a rating of <i>fail</i> .	Represents a serious, recurring, and pervasive matter. Provides reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects with the exception of a certain deficiency(ies). Include as a deficiency(ies) in a peer review report with a rating of <i>pass with deficiency(ies)</i> .	Represents a matter of moderate significance that is recurring and pervasive. After considering the findings identified, provides reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Report as a finding on an FFC form.

**Guidance for Reporting the  
Results of the External Peer Review**

This final section is designed to guide the external peer review team in reaching an overall conclusion about the audit organization's system of quality control.

1. Considering the review team's work during this review and the conclusions drawn in this document – both individually and collectively – what type of peer review report does the review team conclude should be issued? (Check one.)

**a. A peer review rating of *pass* \_\_\_\_\_**

A report with a peer review rating of *pass* should be issued when the review team concludes that the reviewed audit organization's system of quality control has been suitably designed and complied with during the period reviewed to provide the audit organization with **reasonable assurance** of performing and reporting in conformity with applicable professional standards in all material respects.

**b. A peer review rating of *pass with deficiencies* \_\_\_\_\_**

A report with a peer review rating of *pass with deficiency(ies)* should be issued when the review team concludes that the audit organization's system of quality control has been suitably designed and complied with during the period reviewed to provide the audit organization with **reasonable assurance** of performing and reporting in conformity with applicable professional standards in all material respects with the exception of a certain deficiency or deficiencies that are described in the report.

**c. A peer review rating of *fail* \_\_\_\_\_**

A report with a peer review rating of *fail* should be issued when the review team has identified significant deficiencies and concludes that the audit organization's system of quality control is not suitably designed to provide the audit organization with **reasonable assurance** of performing and reporting in conformity with applicable professional standards in all material respects or the audit organization has not complied with its system of quality control to provide the audit organization with **reasonable assurance** of performing and reporting in conformity with applicable professional standards in all material respects.

2. In documenting findings, the team should prepare an FFC form(s) for matters that result from a condition in the reviewed audit organization's system of quality control, or compliance with it, such that there is more than a remote possibility that the reviewed audit organization would not perform and/or report in conformity with applicable professional standards, but which do not rise to the level of a deficiency or significant deficiency.
3. Other matters should be discussed verbally with the state audit organization at the exit conference. At the request of the state audit organization, summary notes or an outline may be provided at the exit conference to facilitate the discussion of these issues.

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## Section VI

Attestation Engagement External Peer Review

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February 2021

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## **Documents for an Attestation Engagement External Peer Review**

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The external peer review process for attestation engagements involves a number of interrelated documents, which are identified below. Those designated with an asterisk (\*) are identical documents used for peer reviews of financial audits and performance audits and can be found in Section IV.

### **Completed by Audit Organization**

Audit Organization Questionnaire\* (*last updated October 2019*)

Audit Staff Questionnaire\* (*last updated February 2021*)

### **Completed by Audit Organization and External Peer Reviewers**

Audit Organization's Policies and Procedures for General Requirements and Review Guide (*content last updated May 2021*)

Audit Organization's Policies and Procedures for Attestation Engagements and Review Guide (*content last updated December 2021*)

### **Completed by External Peer Reviewers**

Guide for Review of Attestation Engagements (*content last updated December 2021*)

### **Completed/Compiled by Review Team Leader**

Matters for Further Consideration\* (*last updated June 2019*)

Conclusions of the External Peer Review for Attestation Engagements (*last updated February 2021*)

Finding(s) for Further Consideration\* (*created May 2013*)

The last document is the External Peer Review Report that the external peer review team drafts on the organization's overall quality control system and its satisfaction of the audit standards. (Examples can be found on pages II-33 through II-37.)

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Agency Policies and Procedures | General Requirements | Coversheet

Audit Organization Under Review	<input type="text"/>
Audit Organization Staff Who Completed Form	<input type="text"/>
Types of Engagements Covered by this Checklist	<input type="text"/>
Review Team Member(s) Who Completed Form	<input type="text"/>
External Peer Review Team Leader	<input type="text"/>
Date	<input type="text"/>

**Audit Organization’s Quality Control Policies and Procedures for General Requirements**

**Purpose and Format**

The National State Auditors Association’s external peer review program is designed to provide an independent assessment of an audit organization’s system of quality control. As defined in the Association’s “Policies and Procedures for the External Peer Review Program,” such a system encompasses the audit organization’s leadership, its emphasis on performing high quality work, and the policies and procedures designed to provide reasonable assurance of complying with professional standards and applicable legal and regulatory requirements.

This checklist is designed to obtain information about the audit organization’s quality control policies and procedures and to allow the external peer review team to assess those policies and procedures to determine whether they are adequate. It contains a separate section for each of the generally accepted government auditing standards issued by the Comptroller General of the United States (2018 Revision). Each section contains a series of questions about the policies and procedures the organization has in place to provide reasonable assurance that its audit work complies with the standard. These questions generally are tied to the statements in the standards that require or place responsibility on an organization or its auditors to do something.

**Instructions for Completing this Form**

*Audit Organization*

*Note to audit organization: If policies and procedures referenced for the GAGAS General Requirements (Independence, Professional Judgment, Competence, and Quality Control and Assurance) are the same for all types of engagements conducted by your organization, it is not necessary to complete this questionnaire for each engagement type. Please note above the types of engagements covered by this checklist. If general requirements are different for other engagement types, a separate checklist must be completed.*

The audit organization under review should complete the sections that are shaded in orange. All other sections should be completed by the external peer review team.

Under the audit organization columns, you are asked to reference your applicable quality control policies and procedures, or the document(s) in which they can be found. As it applies to your organization, reference the policies and procedures related to audit work done in-house as well as to audit work conducted on a contractual basis. All answers should be cross-referenced to the organization's documents and, whenever feasible, copies of the documents should be attached to the questionnaire. If your organization has a comprehensive audit manual or a quality control document covering its policies and procedures, it is preferred that you cross-reference and attach a complete version of that manual or document. Manual references should be as specific as possible to facilitate the review process.

If the reference document does not clearly explain how compliance with the standard is assured, please briefly describe how compliance is assured in the space provided. This information will give the external peer review team a better understanding of how the organization operates and its policies, procedures, and documents in place to assure compliance with standards. This information is useful to the external peer reviewers in assessing the design of the quality control system to reasonably assure compliance with standards, and for assessing the organization's compliance with its system.

Audit organizations should also identify when the referenced policy and procedure has substantially changed since the last peer review. This information will assist the peer review team with its risk-based review of policies and procedures. A substantial change is one that either represents a consequential change in the organization's policy or procedures to meet the requirement, or significant revision to the documentation or communication of the policy or procedure. A substantial change would include situations where the referenced policies or procedures were re-created or re-written, updated to meet new or changed requirements of professional standards, modified to change or correct the understanding or application of professional standards, modified to change or correct the audit approach or methodology, etc. A substantial change would not include inconsequential updates, corrections or wording changes to a policy or procedure, typographical or formatting changes, updates to citations to professional standards in instances where requirements of professional standards did not change, etc. If the audit organization is unsure how to complete this column, they should discuss their questions with the peer review team leader.

The external peer review team will review these specific policies, procedures or documents as part of its assessment of whether they are appropriately comprehensive and suitably designed for the organization and whether they are adequately documented. The information and documentation that you provide will facilitate an efficient external peer review.

Because of the differences between government audit organizations, this questionnaire may not address all the audit policies and procedures that may apply to your organization's operations. Carefully complete the questionnaire to identify the policies and procedures your organization has in place for ensuring that it complies with applicable audit standards.

#### *Review Team*

The portion of the form to be completed by the audit organization asks the audit organization to reference its quality control policies and procedures, or the documents in which they can be found, and to briefly describe how compliance is assured if the reference document(s) does not provide this information. This information can give the external peer reviewer a better understanding of how the organization operates. It can also be helpful in determining the nature and extent of the review procedures to be performed to assess the organization's compliance with its established policies and procedures.

The reviewer should follow guidance in workpaper D12 in using a risk-based approach in selecting questions for follow-up. For those questions chosen for follow-up, the reviewer should assess the policy or procedure referenced by the audit organization and check yes, no, or N/A (not applicable). To the far right of each question is a "comments" column that should be used to qualify or explain a yes or no response, if necessary. For every question the reviewer answers with a "no," information about the type of deficiency or deviation noted should be recorded on the form, "Matters for Further Consideration," under the appropriate standard.

In conducting this review, the review team should recognize that the nature, extent, and formality of an audit organization's quality control system will vary based on the audit organization's circumstances, such as the audit organization's size, number of offices and geographic dispersion, the knowledge and experience of its personnel, the nature and complexity of its audit work, and cost-benefit considerations. The system established and the extent of its documentation is a matter of professional judgment and will vary based on the audit organization's circumstances. The team should consider these factors in studying and evaluating the quality control system in place for each audit organization.

#### **References to Standards**

The guide includes references to the following professional literature:

*GAO Government Auditing Standards, 2018 Revision*





























Policies and Procedures | Attestation Engagements | Coversheet

Audit Organization Under Review	
Audit Organization Staff Who Completed Form	
Review Team Member(s) Who Completed This Form	
External Peer Review Team Leader	
Date Form Completed	

**Audit Organization Policies and Procedures for Attestation Engagements and Review Guide**

**Purpose and Format**

The National State Auditors Association’s external peer review program is designed to provide an independent assessment of an audit organization’s system of quality control. As defined in the Association’s “Policies and Procedures for the External Peer Review Program,” such a system encompasses the audit organization’s leadership, its emphasis on performing high quality work, and the policies and procedures designed to provide reasonable assurance of complying with professional standards and applicable legal and regulatory requirements.

This checklist is designed to obtain information about the audit organization’s quality control policies and procedures and to allow the external peer review team to assess those policies and procedures to determine whether they are adequate.

**Instructions for Completing this Form**

*Audit Organization*

The audit organization under review should complete the sections that are shaded in orange. All other sections should be completed by the external peer review team.

Under the audit organization columns, you are asked to reference your applicable quality control policies and procedures, or the document(s) in which they can be found. As it applies to your organization, reference the policies and procedures related to attest work done in-house as well as to attest work conducted on a contractual basis. All answers should be cross-referenced to the organization’s documents and, whenever feasible, copies of the documents should be attached to the questionnaire. If your audit organization has a comprehensive attest manual or a quality control document covering its policies and procedures, it is preferred that you cross-reference and attach a complete version of that manual or document. Manual references should be as specific as possible to facilitate the review process.

If the reference document does not clearly explain how compliance with the standard is assured, please briefly describe how compliance is assured in the space provided. This information will give the external peer review team a better understanding of how the organization operates and its policies, procedures, and documents in place to assure compliance with standards. This information is useful to the external peer reviewers in assessing the design of the quality control system to reasonably assure compliance with standards, and for assessing the organization’s compliance with its system.

Audit organizations should also identify when the referenced policy and procedure has substantially changed since the last peer review. This information will assist the peer review team with its risk-based review of policies and procedures. A substantial change is one that either represents a consequential change in the organization’s policy or procedures to meet the requirement, or significant revision to the documentation or communication of the policy or procedure. A substantial change would include situations where the referenced policies or procedures were re-created or re-written, updated to meet new or changed requirements of professional standards, modified to change or correct the understanding or application of professional standards, modified to change or correct the audit approach or methodology, etc. A substantial change would not include inconsequential updates, corrections or wording changes to a policy or procedure, typographical or formatting changes, updates to citations to professional standards in instances where requirements of professional standards did not change, etc. If the audit organization is unsure how to complete this column, they should discuss their questions with the peer review team leader.

The external peer review team will review these specific policies, procedures or documents as part of its assessment of whether they are appropriately comprehensive and suitably designed for the audit organization and whether they are adequately documented. The information and documentation that you provide will facilitate an efficient external peer review.

Because of the differences between government audit organizations, this questionnaire may not address all the attest policies and procedures that may apply to your organization’s operations. Carefully complete the questionnaire to identify the policies and procedures your organization has in place for ensuring that it complies with applicable professional standards

*Note to audit organization:* If the attestation engagement policies and procedures referenced for the GAGAS General Standards (Independence, Professional Judgment, Competence, and Quality Control and Assurance) are also the policies and procedures applicable to the questionnaire sections on financial and/or performance audits, it is not necessary to complete these sections of the questionnaire again. Simply reference these sections to the appropriate questionnaire/section where the policy and procedure reference has been provided.

### *Review Team*

The portion of the form to be completed by the audit organization asks the audit organization to reference its quality control policies and procedures, or the documents in which they can be found, and to briefly describe how compliance is assured if the reference document(s) does not provide this information. This information can give the external peer reviewer a better understanding of how the organization operates. It can also be helpful in determining the nature and extent of the review procedures to be performed to assess the organization's compliance with its established policies and procedures.

The reviewer should follow guidance in workpaper D12 in using a risk-based approach in selecting questions for follow-up. For those questions chosen for follow-up, the reviewer should assess the policy or procedure referenced by the audit organization and check yes, no, or N/A (not applicable). To the far right of each question is a "comments" column that should be used to qualify or explain a yes or no response, if necessary. For every question the reviewer answers with a "no," information about the type of deficiency or deviation noted should be recorded on the form, "Matters for Further Consideration," under the appropriate standard.

In conducting this review, the review team should recognize that the nature, extent, and formality of an audit organization's quality control system will vary based on the audit organization's circumstances, such as the audit organization's size, number of offices and geographic dispersion, the knowledge and experience of its personnel, the nature and complexity of its attest work, and cost-benefit considerations. The system established and the extent of its documentation is a matter of professional judgment and will vary based on the audit organization's circumstances. The team should consider these factors in studying and evaluating the quality control system in place for each audit organization.

### **References to Standards**

The guide includes references to certain professional literature. Below is a listing:

AT-C AICPA Professional Standards – *Attestation Standards: Clarification and Recodification*

GAO *Government Auditing Standards, 2018 Revision*



	The practitioner's opinion, conclusion, or findings, in the form appropriate to the engagement, is to be contained in a written practitioner's report.	AT-C 105.27							
1.8	What are your audit organizations policies and procedures that require the practitioner accept an attestation engagement only when the practitioner:	AT-C 105.29							
	Has no reason to believe that relevant ethical requirements, including independence, will not be satisfied?	AT-C 105.29							
	Is satisfied that those persons who are to perform the engagement collectively have the appropriate competence and capabilities?	AT-C 105.29							
	Has determined that the engagement to be performed meets all the preconditions for an attestation engagement?	AT-C 105.29							
	Has reached a common understanding with the engaging party of the terms of the engagement, including the practitioner's reporting responsibilities?	AT-C 105.29							
1.9	If it is discovered after the engagement has been accepted that one or more of the preconditions for an attestation engagement is not present, what are your audit organization's policies and procedures that require the practitioner to discuss the matter with the appropriate party and determine whether the matter can be resolved and whether it is appropriate to continue with the engagement? (Note: If the matter cannot be resolved but it is still appropriate to continue with the engagement, the practitioner should determine whether to communicate the matter in the practitioner's report, and if the matter is to be communicated in the practitioner's report, to do so.	AT-C 105.30							
<b>Acceptance of a Change in the Terms of the Engagement</b>									
1.10	What are your audit organization's policies and procedures prohibiting the practitioner agreeing to a change in the terms of the engagement when no reasonable justification for doing so exists?	AT-C 105.31							
1.11	If the practitioner concludes, based on the practitioner's professional judgment, that there is reasonable justification to change the terms of the engagement from the original level of service that the practitioner was engaged to perform to a lower level of service, for example, from an examination to a review, and if the practitioner complies with the AT-C sections applicable to the lower level of service, what are your audit organization's policies and procedures that require the practitioner to issue an appropriate practitioner's report on the lower level of service?	AT-C 105.32							
<b>Using the Work of an Other Practitioner</b>									
1.12	When the practitioner expects to use the work of an other practitioner, what are your audit organization's policies and procedures that require the practitioner to:	AT-C 105.33							
	Obtain an understanding of whether the other practitioner understands and will comply with the ethical requirements that are relevant to the engagement and, in particular, is independent.	AT-C 105.33							
	Obtain an understanding of the other practitioner's professional competence.	AT-C 105.33							
	Communicate clearly with the other practitioner about the scope and timing of the other practitioner's work and findings.	AT-C 105.33							
	If assuming responsibility for the work of the other practitioner, be involved in the work of the other practitioner.	AT-C 105.33							
	Evaluate whether the other practitioner's work is adequate for the practitioner's purposes.	AT-C 105.33							
	Determine whether to make reference to the other practitioner in the practitioner's report.	AT-C 105.33							
<b>Quality Control</b>									
1.13	What are your audit organization's policies and procedures that require the engagement partner take responsibility for the overall quality on each attestation engagement, including responsibility for the following:	AT-C 105.35							
	Appropriate procedures being performed regarding the acceptance and continuance of client relationships and engagements.	AT-C 105.35							
	The engagement being planned and performed (including appropriate direction and supervision) to comply with professional standards and applicable legal and regulatory requirements.	AT-C 105.35							
	Reviews being performed in accordance with the firm's review policies and procedures and reviewing the engagement documentation on or before the date of the practitioner's report	AT-C 105.35							

	Appropriate engagement documentation being maintained to provide evidence of achievement of the practitioner's objectives and that the engagement was performed in accordance with the attestation standards and relevant legal and regulatory requirements	AT-C 105.35							
	Appropriate consultation being undertaken by the engagement team on difficult or contentious matters	AT-C 105.35							
1.14	What are your organization's policies and procedures for ensuring the engagement partner remains alert, through observation and making inquiries as necessary, for evidence of noncompliance with relevant ethical requirements by members of the engagement team? And, if matters come to the engagement partner's attention through the firm's system of quality control or otherwise that indicate that members of the engagement team have not complied with relevant ethical requirements, what are your organization's policies and procedures to ensure appropriate action occurs?	AT-C 105.36							
<b>Engagement Documentation</b>									
1.15	What are your audit organization's policies and procedures that require the practitioner prepare engagement documentation on a timely basis?	AT-C 105.37							
1.16	What are your audit organization's policies and procedures that require the practitioner assemble the engagement documentation in an engagement file and complete the administrative process of assembling the final engagement file no later than 60 days following the practitioner's report release date?	AT-C 105.38							
1.17	After the documentation completion date, what are your audit organization's policies and procedures that prohibit the practitioner from deleting or discarding documentation of any nature before the end of its retention period?	AT-C 105.39							
1.18	If the practitioner finds it necessary to amend existing engagement documentation or add new engagement documentation after the documentation completion date, what are your audit organization's policies and procedures that require the practitioner, regardless of the nature of the amendments or additions, document the specific reasons for making the amendments or additions and when, and by whom, they were made and reviewed?	AT-C 105.40							
1.19	What are your audit organization's policies and procedures that require the practitioner adopt reasonable procedures to retain engagement documentation for a period of time sufficient to meet the needs of the practitioner and to satisfy any applicable legal or regulatory requirements for records retention?	AT-C 105.41							
1.20	Because engagement documentation often contains confidential information, what are your audit organization's policies and procedures that require the practitioner adopt reasonable procedures to maintain the confidentiality of that information?	AT-C 105.42							
1.21	What are your audit organization's policies and procedures that require the practitioner to adopt reasonable procedures to prevent unauthorized access to engagement documentation?	AT-C 105.43							
1.22	If, in rare circumstances, the practitioner judges it necessary to depart from a relevant, presumptively mandatory requirement, what are your audit organization's policies and procedures that require the practitioner document the justification for the departure and how the alternative procedures performed in the circumstances were sufficient to achieve the intent of that requirement?	AT-C 105.44							
<b>Professional Skepticism and Professional Judgment</b>									
1.23	What are your audit organization's policies and procedures that require the practitioner to maintain professional skepticism while planning and performing an attestation engagement?	AT-C 105.46							
1.24	What are your audit organization's policies and procedures that require the practitioner to exercise professional judgment in planning and performing an attestation engagement?	AT-C 105.48							



2.6	When the engaging party is the responsible party and refuses to provide a written assertion, what are your audit organization's policies and procedures that require the practitioner to withdraw from the engagement when withdrawal is possible under applicable law or regulation?	AT-C 205.10								
2.7	When the engaging party is not the responsible party, and the responsible party refuses to provide a written assertion, what are your audit organization's policies and procedures that require the practitioner to disclose that refusal in the practitioner's report and restrict the use of the report to the engaging party?	AT-C 205.10								
<b>Planning and Performing the Engagement</b>										
2.8	What are your audit organization's policies and procedures that require the practitioner to establish an overall engagement strategy that sets the scope, timing, and direction of the engagement and guides the development of the engagement plan?	AT-C 205.11								
2.9	In establishing the overall engagement strategy, what are your audit organization's policies and procedures that require the practitioner to perform the following?	AT-C 205.12								
	Identify the characteristics of the engagement that define its scope and ascertain the reporting objectives of the engagement in order to plan the timing of the engagement and the nature of the communications required.	AT-C 205.12								
	Consider the factors that, in the practitioner's professional judgment, are significant in directing the engagement team's efforts.	AT-C 205.12								
	Consider the results of preliminary engagement activities, such as client acceptance, and, when applicable, whether knowledge gained on other engagements performed by the engagement partner for the entity is relevant.	AT-C 205.12								
	Ascertain the nature, timing, and extent of resources necessary to perform the engagement.	AT-C 205.12								
2.10	What are your audit organization's policies and procedures that require the practitioner to develop a plan that includes a description of the following items?	AT-C 205.13								
	The nature, timing, and extent of planned risk assessment procedures.	AT-C 205.13								
	The nature, timing, and extent of planned further procedures.	AT-C 205.13								
	Other planned procedures that are required to be carried out so that the engagement complies with the attestation standards.	AT-C 205.13								
<b>Additional GAGAS Requirements - Results of Previous Engagements</b>										
2.11	When planning an examination engagement, what policies and procedures does your organization have that require auditors to:	GAO 7.13								
	Ask management of the audited entity to identify previous audits, attestation engagements, and other studies that directly relate to the subject matter or an assertion about the subject matter of the examination engagement, including whether related recommendations have been implemented?	GAO 7.13								
	Evaluate whether the audited entity has taken appropriate corrective action to address findings and recommendations from previous engagements that could have a significant effect on the subject matter or an assertion about the subject matter?	GAO 7.13								

	Use this information in assessing risk and determining the nature, timing, and extent of current work and determining the extent to which testing the implementation of the corrective actions is applicable to the current examination engagement objectives?	GAO 7.13							
<b>Additional GAGAS Requirements – Investigations or Legal Proceedings</b>									
2.12	What are your organization’s policies and procedures that require auditors to inquire of management of the audited entity whether any investigations or legal proceedings significant to the engagement objectives have been initiated or are in process with respect to the period under examination, and evaluate the effect of initiated or in-process investigations or legal proceedings on the current examination engagement?	GAO 7.14							
<b>Risk Assessment Procedures</b>									
2.13	What are your audit organization’s policies and procedures that require the practitioner to obtain an understanding of the subject matter and other engagement circumstances sufficient to:	AT-C 205.14							
	Enable the practitioner to identify and assess the risks of material misstatement in the subject matter?	AT-C 205.14							
	Provide a basis for designing and performing procedures to respond to the assessed risks and to obtain reasonable assurance to support the practitioner’s opinion?	AT-C 205.14							
2.14	In obtaining an understanding of the subject matter in accordance with AT-C 205.14, what are your audit organization’s policies and procedures that require the practitioner to obtain an understanding of internal control over the preparation of the subject matter relevant to the engagement? This includes evaluating the design of those controls relevant to the subject matter and determining whether they have been implemented by performing procedures in addition to inquiry of the personnel responsible for the subject matter.	AT-C 205.15							
2.15	What are your organization’s policies and procedures that require inquiries of the responsible party regarding:	AT-C 205.16							
	Whether the responsible party has an internal audit function?	AT-C 205.16							
	An understanding of the activities and main findings of the internal audit function with respect to the subject matter, if applicable?	AT-C 205.16							
	Whether the responsible party has used any specialists in the preparation of the subject matter?	AT-C 205.16							
<b>Materiality in Planning and Performing the Engagement</b>									
2.16	When establishing the overall engagement strategy, what are your audit organization’s policies and procedures that require the practitioner to consider materiality for the subject matter?	AT-C 205.17							
2.17	What are your audit organization’s policies and procedures that require the practitioner to reconsider materiality for the subject matter if the practitioner becomes aware of information during the engagement that would have caused the practitioner to have initially determined a different materiality?	AT-C 205.18							
<b>Identifying Risks of Material Misstatement</b>									

2.18	What are your audit organization's policies and procedures that require the practitioner to identify and assess risks of material misstatement as the basis for designing and performing further procedures whose nature, timing, and extent are responsive to assessed risks of material misstatement and allow the practitioner to obtain reasonable assurance about whether the subject matter is in accordance with (or based on) the criteria, in all material respects?	AT-C 205.19								
<b>Responding to Assessed Risks and Obtaining Evidence</b>										
2.19	To obtain reasonable assurance, what are your audit organization's policies and procedures that require the practitioner to obtain sufficient appropriate evidence to reduce attestation risk to an acceptably low level and thereby enable the practitioner to draw reasonable conclusions on which to base the practitioner's opinion?	AT-C 205.20								
2.20	What are your audit organization's policies and procedures that require the practitioner to design and implement overall responses to address the assessed risks of material misstatement for the subject matter or assertion?	AT-C 205.21								
<b>Further Procedures</b>										
2.21	What are your audit organization's policies and procedures that require the practitioner to design and perform further procedures whose nature, timing, and extent are based on, and responsive to, the assessed risks of material misstatement?	AT-C 205.22								
2.22	In designing and performing further procedures in accordance with AT-C 205.22, what are your audit organization's policies and procedures that require the practitioner to:	AT-C 205.23								
	Consider the reasons for the assessment given to the risk of material misstatement, including the likelihood of material misstatement due to the particular characteristics of the subject matter and whether the practitioner intends to rely on the operating effectiveness of controls in determining the nature, timing, and extent of other procedures?	AT-C 205.23								
	Obtain more persuasive evidence the higher the practitioner's assessment of risk?	AT-C 205.23								
2.23	When designing and performing procedures, what are your audit organization's policies and procedures that require the practitioner to consider the relevance and reliability of the information to be used as evidence?	AT-C 205.24								
2.24	If evidence obtained from one source is inconsistent with that obtained from another, the practitioner has doubts about the reliability of information to be used as evidence, or responses to inquiries of the responsible party or others are inconsistent or otherwise unsatisfactory (for example, vague or implausible), what are your audit organization's policies and procedures that require the practitioner to determine what modifications or additions to procedures are necessary to resolve the matter and to consider the effect of the matter, if any, on other aspects of the engagement?	AT-C 205.24								
<b>Tests of Controls</b>										

2.25	What are your audit organization's policies and procedures that require the practitioner to design and perform tests of controls to obtain sufficient appropriate evidence about the operating effectiveness of relevant controls if the practitioner intends to rely on the operating effectiveness of controls in determining the nature, timing, and extent of other procedures; procedures other than tests of controls cannot alone provide sufficient appropriate evidence; or the subject matter is internal control?	AT-C 205.25								
2.26	If the practitioner designed and performed tests of controls to rely on their operating effectiveness and identified deviations in those controls, what are your audit organization's policies and procedures that require the practitioner to make specific inquiries and perform other procedures as necessary to understand these matters and their potential consequences?	AT-C 205.26								
2.27	What are your audit organization's policies and procedures that require the practitioner to determine whether the tests of controls that have been performed provide an appropriate basis for reliance on the controls, additional tests of controls are necessary, or the potential risks of misstatement need to be addressed using other procedures?	AT-C 205.26								
<i>Procedures Other Than Tests of Controls</i>										
2.28	What are your audit organization's policies and procedures that require the practitioner, irrespective of the assessed risks of material misstatement, to design and perform tests of details or analytical procedures related to the subject matter, except when the subject matter is internal control?	AT-C 205.27								
<i>Analytical Procedures Performed in Response to Assessed Risks</i>										
2.29	When designing and performing analytical procedures in response to assessed risks, what are your audit organization's policies and procedures that require the practitioner to:	AT-C 205.28								
	Determine the suitability of particular analytical procedures for the subject matter, taking into account the assessed risks of material misstatement and any related tests of details?	AT-C 205.28								
	Evaluate the reliability of data from which the practitioner's expectation is developed, taking into account the source, comparability, nature, and relevance of information available, and controls over their preparation?	AT-C 205.28								
	Develop an expectation that is sufficiently precise to identify possible material misstatements (taking into account whether analytical procedures are to be performed alone or in combination with tests of details)?	AT-C 205.28								
2.30	If analytical procedures identify fluctuations or relationships that are inconsistent with other relevant information or that differ significantly from expected amounts or ratios, what are your audit organization's policies and procedures that require the practitioner to investigate such differences by inquiring of the responsible party and obtaining additional evidence relevant to its responses and performing other procedures as necessary in the circumstances?	AT-C 205.29								
<i>Procedures Regarding Estimates</i>										

2.31	Based on the assessed risks of material misstatement, what are your audit organization's policies and procedures that require the practitioner to evaluate whether the responsible party has appropriately applied the requirements of the criteria relevant to any estimated amounts and the methods for making estimates are appropriate and have been applied consistently and whether changes, if any, in reported estimates or in the method for making them from the prior period, if applicable, are appropriate in the circumstances?	AT-C 205.30							
2.32	When responding to an assessed risk of material misstatement related to an estimate, what are your audit organization's policies and procedures that require the practitioner to undertake one or more of the following, taking into account the nature of the estimates:	AT-C 205.31							
	Determine whether events occurring up to the date of the practitioner's report provide evidence regarding the estimate.	AT-C 205.31							
	Test how the responsible party made the estimate and the data on which it is based. In doing so, the practitioner should evaluate whether the method of measurement used is appropriate in the circumstances, assumptions used by the responsible party are reasonable, and data on which the estimate is based are sufficiently reliable for the practitioner's purposes.	AT-C 205.31							
	Test the operating effectiveness of the controls over how the responsible party made the estimate, together with other appropriate further procedures.	AT-C 205.31							
2.33	When developing a point estimate or a range to evaluate the responsible party's estimate:	AT-C 205.31							
	If the practitioner uses assumptions or methods that differ from those of the responsible party, what are the organization's policies and procedures that require the practitioner to obtain an understanding of the responsible party's assumptions or methods sufficient to establish that the practitioner's point estimate or range takes into account relevant variables and to reevaluate any significant differences from the responsible party's point estimate?	AT-C 205.31							
	If the practitioner concludes that it is appropriate to use a range, what are the organization's policies and procedures that require the practitioner to narrow the range, based on evidence available, until all outcomes within the range are considered reasonable?	AT-C 205.31							
<b>Sampling</b>									
2.34	If sampling is used, what are your audit organization's policies and procedures that require the practitioner, when designing the sample, to consider the purpose of the procedure and the characteristics of the population from which the sample will be drawn? Additionally, what are your organization's policies and procedures for ensuring sampling involves the following:	AT-C 205.32							
	Determining a sample size sufficient to reduce sampling risk to an acceptably low level	AT-C 205.32							
	Selecting items for the sample in such a way that the practitioner can reasonably expect the sample to be representative of the relevant population and likely to provide the practitioner with a reasonable basis for conclusions about the population.	AT-C 205.32							

	Treating a selected item to which the practitioner is unable to apply the designed procedures or suitable alternative procedures as a deviation from the prescribed control in the case of tests of controls or a misstatement in the case of tests of details	AT-C 205.32							
	Investigating the nature and cause of deviations or misstatements identified and evaluating their possible effect on the purpose of the procedure and on other areas of the engagement	AT-C 205.32							
	Evaluating the results of the sample, including sampling risk and projecting misstatements found in the sample to the population	AT-C 205.32							
	Evaluating whether the use of sampling has provided an appropriate basis for conclusions about the population that has been tested	AT-C 205.32							
<b>Fraud, Laws, and Regulations</b>									
2.35	What are your audit organization's policies and procedures that require the practitioner to:	AT-C 205.33							
	Consider whether risk assessment procedures and other procedures related to understanding the subject matter indicate risk of material misstatement due to fraud or noncompliance with laws or regulations?	AT-C 205.33							
	Make inquiries of appropriate parties to determine whether they have knowledge of any actual, suspected, or alleged fraud or noncompliance with laws or regulations affecting the subject matter?	AT-C 205.33							
	Evaluate whether there are unusual or unexpected relationships within the subject matter, or between the subject matter and other related information, that indicate risks of material misstatement due to fraud or noncompliance with laws or regulations?	AT-C 205.33							
	Evaluate whether other information obtained indicates risk of material misstatement due to fraud or noncompliance with laws or regulations?	AT-C 205.33							
2.36	What are your audit organization's policies and procedures that require the practitioner to respond appropriately to fraud or suspected fraud and noncompliance or suspected noncompliance with laws or regulations affecting the subject matter that is identified during the engagement?	AT-C 205.34							
<b>Additional GAGAS Requirements - Noncompliance with Provisions of Laws, Regulations, Contracts, and G</b>									
2.37	What policies and procedures does your organization have that require auditors to extend the AICPA requirements concerning consideration of noncompliance with laws and regulations to include consideration of noncompliance with provisions of contracts and grant agreements?	GAO 7.17							
<b>Revision of Risk Assessment</b>									
2.38	The practitioner's assessment of the risks of material misstatement may change during the course of the engagement as additional evidence is obtained. In circumstances in which the practitioner obtains evidence from performing further procedures, or if new information is obtained, either of which is inconsistent with the evidence on which the practitioner originally based the assessment, what are your audit organization's policies and procedures that require the practitioner to revise the assessment and modify the planned procedures accordingly.	AT-C 205.35							
<b>Evaluating the Reliability of Information Produced by the Entity</b>									

2.39	When using information produced by the entity, what are your audit organization's policies and procedures that require the practitioner to evaluate whether the information is sufficiently reliable for the practitioner's purposes, including, as necessary, the following:	AT-C 205.36							
	Obtaining evidence about the accuracy and completeness of the information	AT-C 205.36							
	Evaluating whether the information is sufficiently precise and detailed for the practitioner's purposes	AT-C 205.36							
<b>Using the Work of a Practitioner's Specialist</b>									
2.40	When the practitioner expects to use the work of a practitioner's specialist, what are your audit organization's policies and procedures that require the practitioner to do the following:	AT-C 205.37							
	Evaluate whether the practitioner's specialist has the necessary competence, capabilities, and objectivity for the practitioner's purposes. In the case of a practitioner's external specialist, the evaluation of objectivity should include inquiry regarding interests and relationships that may create a threat to the objectivity of the practitioner's specialist.	AT-C 205.37							
	Obtain a sufficient understanding of the field of expertise of a practitioner's specialist to enable the practitioner to determine the nature, scope, and objectives of that specialist's work for the practitioner's purposes and evaluate the adequacy of that work for the practitioner's purposes.	AT-C 205.37							
	Agree with the practitioner's specialist regarding the nature, scope, and objectives of that practitioner's specialist's work; the respective roles and responsibilities of the practitioner and that specialist; the nature, timing, and extent of communication between the practitioner and that specialist, including the form of any report or documentation to be provided by that specialist; and the need for the practitioner's specialist to observe confidentiality requirements	AT-C 205.37							
	Evaluate the adequacy of the work of the practitioner's specialist for the practitioner's purposes, including	AT-C 205.37							
	The relevance and reasonableness of the findings and conclusions of the practitioner's specialist and their consistency with other evidence:	AT-C 205.37							
	if the work of the practitioner's specialist involves the use of significant assumptions and methods, obtaining an understanding of those assumptions and methods and evaluating the relevance and reasonableness of those assumptions and methods in the circumstances, giving consideration to the rationale and support provided by the practitioner's specialist, and in relation to the practitioner's other findings and conclusions; and	AT-C 205.37							
	if the work of the practitioner's specialist involves the use of source data that are significant to the work of the practitioner's specialist, the relevance, completeness, and accuracy of that source data	AT-C 205.37							
2.41	If the practitioner determines that the work of the practitioner's specialist is not adequate for the practitioner's purposes, what are your audit organization's policies and procedures that require the practitioner to agree with the practitioner's specialist on the nature and extent of further work to be performed by the practitioner's specialist, or perform additional procedures appropriate to the circumstances?	AT-C 205.38							

2.42	In determining the nature, timing, and extent of procedures a practitioner performs when the practitioner expects to use the work of a practitioner's specialist, what are your audit organization's policies and procedures that require the practitioner to consider the following?	AT-C 205.39							
	The significance of that specialist's work in the context of the engagement.	AT-C 205.39							
	The nature of the matter to which that specialist's work relates.	AT-C 205.39							
	The risks of material misstatement in the matter to which that specialist's work relates.	AT-C 205.39							
	The practitioner's knowledge of, and experience with, previous work performed by that specialist.	AT-C 205.39							
	Whether that specialist is subject to the practitioner's firm's quality control policies and procedures.	AT-C 205.39							
<b>Using the Work of Internal Auditors</b>									
2.43	When the practitioner expects to use the work of the internal audit function in obtaining evidence or to use internal auditors to provide direct assistance, what are your audit organization's policies and procedures that require the practitioner to determine whether the work can be used for purposes of the examination by evaluating the following?	AT-C 205.40							
	The level of competence of the internal audit function or the individual internal auditors providing direct assistance.	AT-C 205.40							
	The extent to which the internal audit function's organizational status and relevant policies and procedures support the objectivity of the internal audit function or for internal auditors providing direct assistance, the existence of threats to the objectivity of those internal auditors and the related safeguards applied to reduce or eliminate those threats.	AT-C 205.40							
	When using the work of the internal audit function, the application by the internal audit function of a systematic and disciplined approach, including quality control.	AT-C 205.40							
2.44	When using the work of the internal audit function, what are your audit organization's policies and procedures that require the practitioner to perform sufficient procedures on the body of work of the internal audit function as a whole that the practitioner plans to use to determine its adequacy for the purpose of the assertion-based examination engagement, including reperforming some of the body of work of the internal audit function that the practitioner intends to use in obtaining evidence?	AT-C 205.41							
2.45	What are your audit organization's policies and procedures that require the practitioner, prior to using internal auditors to provide direct assistance, to obtain written acknowledgment from the responsible party that internal auditors providing direct assistance to the practitioner will be allowed to follow the practitioner's instructions, and that the responsible party will not intervene in the work the internal auditor performs for the practitioner?	AT-C 205.42							
2.46	When using internal auditors to provide direct assistance to the practitioner, what are your audit organization's policies and procedures that require the practitioner to direct, supervise, and review the work of the internal auditors?	AT-C 205.43							
2.47	What are your audit organization's policies and procedures that require the practitioner to make all significant judgments in the examination engagement, including when to use the work of the internal audit function in obtaining evidence?	AT-C 205.44							

2.48	To prevent undue use of the internal audit function in obtaining evidence, what are your audit organization's policies and procedures that require the external auditor to plan to use less of the work of the internal audit function and perform more of the work directly in the following circumstances:	AT-C 205.44							
	The more judgment is involved in planning and performing relevant procedures or evaluating the evidence obtained.	AT-C 205.44							
	The higher the assessed risk of material misstatement;	AT-C 205.44							
	the less the internal audit function's organizational status and relevant policies and procedures adequately support the objectivity of the internal auditors	AT-C 205.44							
	The lower the level of competence of the internal audit function.	AT-C 205.44							
2.49	What are your audit organization's policies and procedures that require, before the conclusion of the engagement, the practitioner to evaluate whether the use of the work of the internal audit function or the use of internal auditors to provide direct assistance results in the practitioner still being sufficiently involved in the assertion-based examination given the practitioner's sole responsibility for the opinion expressed?	AT-C 205.45							
<b>Evaluating the Results of Procedures</b>									
2.50	What are your audit organization's policies and procedures that require the practitioner to accumulate misstatements identified during the engagement other than those that are clearly trivial?	AT-C 205.46							
2.51	What are your audit organization's policies and procedures that require the practitioner to evaluate the sufficiency and appropriateness of the evidence obtained in the context of the engagement and, if necessary, attempt to obtain further evidence?	AT-C 205.47							
2.52	If the practitioner is unable to obtain sufficient appropriate evidence, what are your audit organization's policies and procedures that require the practitioner to consider the implications for the practitioner's opinion (AT-C 205.70-86)?	AT-C 205.48							
<b>Additional GAGAS Requirements – Findings</b>									
2.53	When auditors identify findings, what are your organization's policies and procedures that require auditors to plan and perform procedures to develop the criteria, condition, cause, and effect of the findings to the extent that these elements are relevant and necessary to achieve the examination objectives?	GAO 7.19							
2.54	What are your organization's policies and procedures that require auditors to consider internal control deficiencies in their evaluation of identified findings when developing the cause element of the identified findings?	GAO 7.20							
<b>Considering Subsequent Events and Subsequently Discovered Facts</b>									
2.55	What are your audit organization's policies and procedures that require the practitioner to inquire whether the responsible party, and if different, the engaging party, is aware of any events subsequent to the period (or point in time) covered by the assertion-based examination engagement up to the date of the practitioner's report that could have a significant effect on the subject matter or assertion and apply other appropriate procedures to obtain evidence regarding such events?	AT-C 205.49							

2.56	If the practitioner becomes aware, through inquiry or otherwise, of such an event, or any other event that is of such a nature and significance that its disclosure is necessary to prevent users of the report from being misled, and information about that event is not adequately disclosed by the responsible party in the subject matter or in its assertion, what are your organization's policies and procedures for taking appropriate action?	AT-C 205.49							
2.57	What are your audit organization's policies and procedures that require the practitioner to respond appropriately to facts that become known to the practitioner after the date of the report that, had they been known to the practitioner at that date, may have caused the practitioner to revise the report?	AT-C 205.50							

**Written Representations**

2.58	What are your audit organization's policies and procedures that require the practitioner to request from the responsible party the following written representations in the form of a letter addressed to the practitioner? The representations should include the following:	AT-C 205.51							
	The responsible party's assertion about the subject matter based on the criteria.	AT-C 205.51							
	A statement that all relevant matters are reflected in the measurement or evaluation of the subject matter or assertion.	AT-C 205.51							
	A statement that all known matters contradicting the subject matter or assertion and any communication from regulatory agencies or others affecting the subject matter or assertion have been disclosed to the practitioner, including communications received between the end of the period addressed in the written assertion and the date of the practitioner's report.	AT-C 205.51							
	Acknowledgment of the responsibility for the subject matter and the assertion; selecting the criteria, when applicable; and determining that such criteria are appropriate for the responsible party's purposes.	AT-C 205.51							
	State that the responsible party has disclosed to the practitioner:	AT-C 205.51							
	all deficiencies in internal control relevant to the engagement of which the responsible party is aware;	AT-C 205.51							
	its knowledge of any actual, suspected, or alleged fraud or noncompliance with laws or regulations affecting the subject matter; and	AT-C 205.51							
	other matters as the practitioner deems appropriate	AT-C 205.51							
	A statement that any known events subsequent to the period (or point in time) of the subject matter being reported on that would have a material effect on the subject matter or assertion have been disclosed to the practitioner.	AT-C 205.51							
	A statement that it has provided the practitioner with all relevant information and access, as agreed upon in the terms of the engagement.	AT-C 205.51							
	If applicable, a statement that the responsible party believes the effects of uncorrected misstatements are immaterial, individually and in the aggregate, to the subject matter.	AT-C 205.51							
	If applicable, a statement that significant assumptions used in making any material estimates are reasonable.	AT-C 205.51							

2.59	When the engaging party is not the responsible party, and the responsible party refuses to provide the representations in AT-C 205.51 in writing, what are your audit organization's policies and procedures that require the practitioner to make inquiries of the responsible party about, and seek oral responses to, the matters in AT-C 205.51?	AT-C 205.52							
2.60	When the engaging party is not the responsible party, what are your audit organization's policies and procedures that require the practitioner to request the following written representations from the engaging party, in addition to those requested from the responsible party, in the form of a letter addressed to the practitioner:	AT-C 205.53							
	Acknowledgement that the responsible party is responsible for the subject matter and assertion.	AT-C 205.53							
	Acknowledgement of the engaging party's responsibility for selecting the criteria	AT-C 205.53							
	Acknowledge the engaging party's responsibility for determining that such criteria are suitable, will be available to the intended users, and are appropriate for the purpose of the engagement	AT-C 205.53							
	A statement that the engaging party is not aware of any material misstatements in the subject matter or assertion.	AT-C 205.53							
	A statement that the engaging party has disclosed to the practitioner all known events subsequent to the period (or point in time) of the subject matter being reported on that would have a material effect on the subject matter or assertion	AT-C 205.53							
	Other matters as the practitioner deems appropriate.	AT-C 205.53							
2.61	When written representations are directly related to matters that are material to the subject matter, what are your audit organization's policies and procedures that require the practitioner to evaluate their reasonableness and consistency with other evidence obtained, including other representations (oral or written) and consider whether those making the representations can be expected to be well informed on the matters?	AT-C 205.54							
2.62	What are your organization's policies and procedures that require the written representations to be dated as of the date of the practitioner's report, and address the subject matter and periods covered by the practitioner's opinion?	AT-C 205.55							
<b>Requested Written Representations Not Provided or Not Reliable</b>									
2.63	When the engaging party is the responsible party, and one or more of the requested written representations are not provided, or the practitioner concludes that there is sufficient doubt about the competence, integrity, ethical values, or diligence of those providing the written representations, or the practitioner concludes that the written representations are otherwise not reliable, what are your audit organization's policies and procedures that require the practitioner to do the following?	AT-C 205.56							
	Discuss the matter with the appropriate party	AT-C 205.56							
	Reevaluate the integrity of those from whom the representations were requested or received and evaluate the effect that this may have on the reliability of representations and evidence in general.	AT-C 205.56							
	If any of the matters are not resolved to the practitioner's satisfaction, take appropriate action, including determining the possible effect on the opinion in the practitioner's report.	AT-C 205.56							

2.64	When the engaging party is not the responsible party, what are your audit organization's policies and procedures that require:	AT-C 205.57							
	If one or more of the requested representations are not provided in writing by the responsible party, but the practitioner receives satisfactory oral responses to the practitioner's inquiries performed in accordance with AT-C 205.52 sufficient to enable the practitioner to conclude that the practitioner has sufficient appropriate evidence to form an opinion about the subject matter, the practitioner's report should contain a separate paragraph that restricts the use of the report to the engaging party.	AT-C 205.57							
	If one or more of the requested representations are provided neither in writing nor orally from the responsible party in accordance with AT-C 205.52, a scope limitation exists, and the practitioner should determine the effect on the report, or the practitioner should withdraw from the engagement.	AT-C 205.57							
<b>Other Information</b>									
2.65	If prior to or after the release of the practitioner's report on subject matter or an assertion, the practitioner is willing to permit the inclusion of the report in a document that contains the subject matter or assertion and other information, what are your organization's policies and procedures that require the practitioner to read the other information to identify material inconsistencies, if any, with the subject matter, assertion, or the report?	AT-C 205.58							
2.66	If upon reading the other information, in the practitioner's professional judgment a material inconsistency between that other information and the subject matter, assertion, or the report exists, or a material misstatement of fact exists in the other information, the subject matter, assertion, or the report, what are your organization's policies and procedures that require the practitioner to discuss the matter with the responsible party and take further action as appropriate?	AT-C 205.58							
<b>Description of Criteria</b>									
2.67	What are your audit organization's policies and procedures that require the practitioner to evaluate whether the written description of the subject matter or assertion adequately refers to or describes the criteria?	AT-C 205.59							
<b>Forming the Opinion</b>									
2.68	What are your audit organization's policies and procedures that require the practitioner to form an opinion about whether the subject matter is in accordance with (or based on) the criteria, in all material respects, or the assertion is fairly stated, in all material respects?	AT-C 205.60							
2.69	What are your audit organization's policies and procedures that require the practitioner, in forming the opinion, to evaluate the practitioner's conclusion regarding the sufficiency and appropriateness of evidence obtained and whether uncorrected misstatements are material, individually or in the aggregate?	AT-C 205.60							
2.70	What are your audit organization's policies and procedures that require the practitioner to evaluate, based on the evidence obtained, whether the presentation of the subject matter or assertion is misleading within the context of the engagement.	AT-C 205.61							
<b>Preparing the Practitioner's Report</b>									
2.71	What are your audit organization's policies and procedures that require the practitioner's report be in writing?	AT-C 205.62							



Restricted Use Paragraph									
2.73	What are your audit organization's policies and procedures that require, in the following circumstances, the practitioner's report include an alert, in a separate paragraph, that restricts the use of the report?	AT-C 205.64							
	The practitioner determines that the criteria used to evaluate the subject matter are appropriate only for a limited number of parties who either participated in their establishment or can be presumed to have an adequate understanding of the criteria	AT-C 205.64							
	The criteria used to evaluate the subject matter are available only to specified parties.	AT-C 205.64							
	The engaging party is not the responsible party, and the responsible party does not provide the written representations required by paragraph .51, but does provide oral responses to the practitioner's inquiries about the matters in paragraph .51, as provided for in paragraph .52 and .57a. In this case, the use of the practitioner's report should be restricted to the engaging party.	AT-C 205.64							
2.74	What are your audit organization's policies and procedures that require the alert to state that the practitioner's report is intended solely for the information and use of the specified parties, identify the specified parties for whom use is intended, and state that the report is not intended to be, and should not be, used by anyone other than the specified parties?	AT-C 205.65							
2.75	When the engagement is also performed in accordance with Government Auditing Standards, what are your audit organization's policies and procedures that require the alert that restricts the use of the practitioner's report to include the following information, rather than the information required by AT-C 205.65:	AT-C 205.66							
	A description of the purpose of the report	AT-C 205.66							
	A statement that the report is not suitable for any other purpose.	AT-C 205.66							
2.76	What are your organization's policies and procedures for ensuring you report on a written assertion or directly on the subject matter? If the opinion is modified because of a material misstatement, the practitioner should report directly on the subject matter, even when the assertion acknowledges the misstatement	AT-C 205.67							
2.77	If the practitioner is reporting on the assertion, what are your organization's policies and procedures that ensure the assertion should be bound with or accompany the practitioner's report, or the assertion should be clearly stated in the report.	AT-C 205.68							
Additional GAGAS Requirements - Reporting the Auditors' Compliance with GAGAS									
2.78	What are your organization's policies and procedures that require the auditors to include an unmodified GAGAS compliance statement (stating that the auditors conducted the engagement in accordance with GAGAS) in the audit report when they have (1) followed unconditional and applicable presumptively mandatory GAGAS requirements, or (2) followed unconditional requirements, documented justification for any departures from applicable presumptively mandatory requirements, and achieved the objectives of those requirements through other means?	GAO 2.17a, 7.39							

2.79	What are your organization's policies and procedures that require the auditors to include a modified GAGAS compliance statement in the audit report stating that either (1) the auditors conducted the engagement in accordance with GAGAS, except for specific applicable requirements that were not followed, or (2) because of the significance of the departure(s) from the requirements, the auditors were unable to and did not conduct the engagement in accordance with GAGAS?	GAO 2.17b, 7.39								
2.80	When auditors use a modified GAGAS compliance statement, what are your organization's policies and procedures that require auditors to disclose in the report:	GAO 2.18, 7.39								
	The applicable requirement(s) not followed?	GAO 2.18, 7.39								
	The reasons for not following the requirement(s)?	GAO 2.18, 7.39								
	How not following the requirement(s) affected, or could have affected, the engagement and the assurance provided?	GAO 2.18, 7.39								
2.81	When auditors do not comply with applicable requirements, what are your organization's policies and procedures that require the auditors to:	GAO 2.19, 7.39								
	Assess the significance of the noncompliance to the engagement objectives?	GAO 2.19, 7.39								
	Document the assessment, along with their reasons for not following the requirement(s)?	GAO 2.19, 7.39								
	Determine the type of GAGAS compliance statement?	GAO 2.19, 7.39								
2.82	When auditors report separately (including separate reports bound in the same document) on deficiencies in internal control; noncompliance with provisions of laws, regulations, contracts, and grant agreements; or instances of fraud, what are your organization's policies and procedures that require auditors to state in the examination report that they are issuing those additional reports, include a reference to the separate reports, and also state that the reports are an integral part of a GAGAS examination engagement?	GAO 7.40								
<b>Additional GAGAS Requirements - Reporting Deficiencies in Internal Control</b>										
2.83	What are your organization's policies and procedures that require auditors to include in the examination report all internal control deficiencies, even those communicated early, that are considered to be significant deficiencies or material weaknesses that the auditors identified based on the engagement work performed?	GAO 7.42								
<b>Additional GAGAS Requirements – Reporting on Noncompliance with Provisions of Laws, Regulations, Contracts, and Grant Agreements or Instances of Fraud</b>										
2.84	What are your organization's policies and procedures that require auditors to include in their examination report the relevant information about noncompliance and fraud when they, based on sufficient, appropriate evidence, identify or suspect:	GAO 7.44								
	Noncompliance with provisions of laws, regulations, contracts, or grant agreements that has a material effect on the subject matter or an assertion about the subject matter?	GAO 7.44								
	Fraud that is material, either quantitatively or qualitatively, to the subject matter or an assertion about the subject matter that is significant to the engagement objectives?	GAO 7.44								
2.85	When auditors identify or suspect noncompliance with provisions of laws, regulations, contracts, or grant agreements or instances of fraud that have an effect on the subject matter or an assertion about the subject matter that are less than material but warrant the attention of those charged with governance, what are your organization's policies and procedures that require auditors to communicate in writing to audited entity officials?	GAO 7.45								

Additional GAGAS Requirements – Presenting Findings in the Report									
2.86	When presenting findings, what are your organization’s policies and procedures that require auditors to develop the elements of the findings to the extent necessary to assist management or oversight officials of the audited entity in understanding the need for taking corrective action?	GAO 7.48							
2.87	In presenting findings, what are your organization’s policies and procedures that require the auditor to:	GAO 7.49							
	Place their findings in perspective by describing the nature and extent of the issues being reported and the extent of the work performed that resulted in the findings?	GAO 7.49							
	As appropriate, relate the instances identified to the population or the number of cases examined and quantify the results in terms of dollar value or other measures?	GAO 7.49							
	Limit conclusions appropriately if the results cannot be projected?	GAO 7.49							
Additional GAGAS Requirements – Reporting Findings Directly to Parties Outside the Audited Entity									
2.88	What are your organization’s policies and procedures that require auditors to report identified or suspected noncompliance with provisions of laws, regulations, contracts, and grant agreements and instances of fraud directly to parties outside the audited entity in the following two circumstances, even if they have resigned or been dismissed from the engagement prior to its completion:	GAO 7.51, 7.52							
	When audited entity management fails to satisfy legal or regulatory requirements to report such information to external parties specified in law or regulation, auditors should first communicate the failure to report such information to those charged with governance. If the audited entity still does not report this information to the specified external parties as soon as practicable after the auditors’ communication with those charged with governance, then the auditors should report the information directly to the specified external	GAO 7.51, 7.52							
	When entity management fails to take timely and appropriate steps to respond to fraud or noncompliance with provisions of laws, regulations, contracts, and grant agreements that (1) is likely to have a material effect on the subject matter and (2) involves funding received directly or indirectly from a government agency, auditors should first report management’s failure to take timely and appropriate steps to those charged with governance. If the audited entity still does not take timely and appropriate steps as soon as practicable after the auditors’ communication with those charged with governance, then the auditors should report the audited entity’s failure to take timely and appropriate steps directly to the funding agency.	GAO 7.51, 7.52							
2.89	What are your organization’s policies and procedures that require auditors to obtain sufficient, appropriate evidence, such as confirmation from outside parties, to corroborate representations by management of the audited entity that it has reported engagement findings in accordance with laws, regulations, or funding agreements?	GAO 7.53							

2.90	If auditors are unable to obtain sufficient, appropriate evidence to corroborate representations by audited entity management that it has reported engagement findings in accordance with laws, regulations, or funding agreements, what are your organization's policies and procedures that require the auditors to report such information directly to parties outside the audited entity, even if they have resigned or been dismissed from the audit prior to its completion?	GAO 7.53								
<b>Additional GAGAS Requirements – Obtaining and Reporting Views of Responsible Officials</b>										
2.91	What are your organization's policies and procedures that require auditors to obtain and report the views of responsible officials of the audited entity concerning the findings, conclusions, and recommendations in the examination report, as well as any planned corrective actions?	GAO 7.55								
2.92	When auditors receive written comments from the responsible officials, what are your organization's policies and procedures that require auditors to include in their report a copy of the officials' written comments, or a summary of the comments received?	GAO 7.56								
2.93	When the responsible officials provide oral comments only, what are your organization's policies and procedures that require auditors to prepare a summary of the oral comments, provide a copy of the summary to the responsible officials to verify that the comments are accurately represented, and include the summary in their report?	GAO 7.56								
2.94	When the audited entity's comments are inconsistent or in conflict with the findings, conclusions, or recommendations in the draft report, what are your organization's policies and procedures that require auditors to:	GAO 7.57								
	Evaluate the validity of the audited entity's comments?	GAO 7.57								
	Explain in the report their reasons for disagreement, if the auditors disagree with the comments?	GAO 7.57								
	Modify their report, as necessary, if the auditors find the comments valid and supported with sufficient, appropriate evidence?	GAO 7.57								
2.95	If the audited entity refuses to provide comments or is unable to provide comments within a reasonable period of time, and auditors issue the report without receiving the comments, what policies and procedures does your organization have that require auditors to indicate in the report that the audited entity did not provide comments?	GAO 7.58								
<b>Additional GAGAS Requirements - Reporting Confidential or Sensitive Information</b>										
2.96	If certain information is prohibited from public disclosure or is excluded from a report because of its confidential or sensitive nature, what are your organization's policies and procedures that require auditors to disclose in the report that certain information has been omitted and the circumstances that make the omission necessary?	GAO 7.61								
2.97	When circumstances call for omission of certain information, what policies and procedures has your organization established that require auditors to evaluate whether the omission could distort the examination engagement results or conceal improper or illegal practices, and revise the report language as necessary to avoid report users drawing inappropriate conclusions from the information presented?	GAO 7.62								

2.98	When the audit organization is subject to public records laws, what policies and procedures has your organization established that require auditors to determine whether public records laws could affect the availability of classified or limited use reports and determine whether other means of communicating with management and those charged with governance would be more appropriate?	GAO 7.63								
<b>Reference to the Practitioner's Specialist</b>										
2.99	What are your audit organization's policies and procedures that prohibit the practitioner from referring to the work of a practitioner's specialist in the practitioner's report containing an unmodified opinion?	AT-C 205.69								
<b>Modified Opinions</b>										
2.100	What are your audit organization's policies and procedures that require the practitioner to modify the opinion when either of the following circumstances exist and, in the practitioner's professional judgment, the effect of the matter is or may be material?	AT-C 205.70								
	The practitioner is unable to obtain sufficient appropriate evidence to conclude that the subject matter is in accordance with (or based on) the criteria, in all material respects.	AT-C 205.70								
	The practitioner concludes, based on evidence obtained, that the subject matter is not in accordance with (or based on) the criteria, in all material respects.	AT-C 205.70								
2.101	When the practitioner modifies the opinion, what are your audit organization's policies and procedures that require the practitioner to include a separate paragraph in the practitioner's report that provides a description of the matter(s) giving rise to the modification?	AT-C 205.71								
2.102	What are your audit organization's policies and procedures that require the practitioner to express a qualified opinion when the practitioner, having obtained sufficient appropriate evidence, concludes that misstatements, individually or in the aggregate, are material, but not pervasive to the subject matter or the practitioner is unable to obtain sufficient appropriate evidence on which to base the opinion, but the practitioner concludes that the possible effects on the subject matter of undetected misstatements, if any, could be material, but not pervasive?	AT-C 205.72								
2.103	When the practitioner expresses a qualified opinion due to a material misstatement of the subject matter, what are your audit organization's policies and procedures that require the practitioner to state that, in the practitioner's opinion, except for the effects of the matter(s) giving rise to the modification, the subject matter is presented in accordance with (or based on) the criteria, in all material respects?	AT-C 205.73								
2.104	When the modification arises from an inability to obtain sufficient appropriate evidence, what are your organization's policies and procedures that ensure the use of the corresponding phrase "except for the possible effects of the matter(s) ..." for the modified opinion?	AT-C 205.73								
2.105	What are your audit organization's policies and procedures that require the practitioner to express an adverse opinion when the practitioner, having obtained sufficient appropriate evidence, concludes that misstatements, individually or in the aggregate, are both material and pervasive to the subject matter?	AT-C 205.74								

2.106	When the practitioner expresses an adverse opinion, what are your audit organization's policies and procedures that require the practitioner to state that, in the practitioner's opinion, because of the significance of the matter(s) giving rise to the modification, the subject matter is not presented in accordance with (or based on) the criteria, in all material respects?	AT-C 205.75								
2.107	If the practitioner has concluded that conditions exist that, individually or in combination, result in one or more material misstatements based on the criteria, what are your organization's policies and procedures to modify the opinion and express a qualified or adverse opinion directly on the subject matter, not on the assertion, even when the assertion acknowledges the misstatement?	AT-C 205.76								
2.108	What are your audit organization's policies and procedures that require the practitioner to disclaim an opinion when the practitioner is unable to obtain sufficient appropriate evidence on which to base the opinion, and the practitioner concludes that the possible effects on the subject matter of undetected misstatements, if any, could be both material and pervasive?	AT-C 205.77								
2.109	When the practitioner disclaims an opinion due to an inability to obtain sufficient appropriate evidence, what are your audit organization's policies and procedures that require the practitioner's report to state that because of the significance of the matter(s) giving rise to the modification, the practitioner has not been able to obtain sufficient appropriate evidence to provide a basis for an examination opinion and accordingly, the practitioner does not express an opinion on the subject matter?	AT-C 205.78								
<i>Description of the Practitioner's Responsibility When the Practitioner Expresses a Qualified or an Adverse Opinion</i>										
2.110	When the practitioner expresses a qualified or an adverse opinion, what are your audit organization's policies and procedures that require the practitioner to amend the description of the practitioner's responsibility to state that the practitioner believes that the evidence the practitioner has obtained is sufficient and appropriate to provide a basis for the practitioner's modified opinion?	AT-C 205.79								
<i>Description of the Practitioner's Responsibility When the Practitioner Disclaims an Opinion</i>										
2.111	When the practitioner disclaims an opinion due to an inability to obtain sufficient appropriate evidence, what are your audit organization's policies and procedures that require the practitioner to amend the practitioner's report to state that the practitioner was engaged to examine the subject matter or assertion, and amend the description of the practitioner's responsibility and the description of an assertion-based examination to state only the following: "Our responsibility is to express an opinion on the subject matter or assertion based on conducting the examination in accordance with attestation standards established by the AICPA. Because of the limitation on the scope of our examination discussed in the preceding paragraph, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on whether the subject matter is in accordance with (or based on) the criteria, in	AT-C 205.80								

2.112	If the practitioner expresses a modified opinion because of a scope limitation but is also aware of a matter that causes the subject matter to be materially misstated, what are your audit organization's policies and procedures that require the practitioner to include in the practitioner's report a clear description of both the scope limitation and the matter(s) that causes the subject matter to be materially misstated?	AT-C 205.81							
2.113	What are your organization's policies and procedures for ensuring the practitioner's opinion on the subject matter or assertion should be clearly separated from any paragraphs emphasizing matters related to the subject matter or any other reporting responsibilities?	AT-C 205.82							
2.114	What are your organization's policies and procedures for ensuring that any paragraphs emphasizing matters related to the subject matter or any other reporting responsibilities are phrased in a manner that makes it clear that these paragraphs are not intended to detract from that opinion?	AT-C 205.82							
2.115	What are your organization's policies and procedures for ensuring that, when the opinion is modified, reference to an external specialist is only permitted when such reference is relevant to an understanding of the modification to the practitioner's opinion?	AT-C 205.83							
2.115a	If making such a reference, what are your organization's policies and procedures for ensuring the practitioner's report indicates that such a reference does not reduce the practitioner's responsibility for that opinion?	AT-C 205.83							
<b>Responsible Party Refuses to Provide a Written Assertion</b>									
2.116	If the engaging party is the responsible party and refuses to provide the practitioner with a written assertion as required by AT-C 205.10 what are your audit organization's policies and procedures that require a withdrawal from the engagement?	AT-C 205.84							
2.117	What are your organization's policies and procedures that ensure, if law or regulation does not allow the practitioner to withdraw from the engagement, that the practitioner disclaims an opinion?	AT-C 205.85							
2.118	When the engaging party is not the responsible party and the responsible party refuses to provide the practitioner with a written assertion, what are your audit organization's policies and procedures that require that the practitioner report on the subject matter, and disclose in the practitioner's report the responsible party's refusal to provide a written assertion and restrict the use of the practitioner's report to the engaging party?	AT-C 205.86							
<b>Additional GAGAS Requirements – Distributing Reports</b>									
2.119	What are your organization's policies and procedures that require auditors to document any limitation on report distribution?	GAO 7.69							
2.120	What are your organization's policies and procedures that require audit organizations in government entities to distribute reports to those charged with governance, to the appropriate audited entity officials, and to the appropriate oversight bodies or organizations requiring or arranging for the examination engagement?	GAO 7.69a							
2.121	What are your organization's policies and procedures that require auditors to distribute, as appropriate, copies of the reports to other officials who have legal oversight authority or who may be responsible for acting on engagement findings and recommendations, and to others authorized to receive such reports?	GAO 7.69a							
<b>Communication Responsibilities</b>									

2.122	What are your audit organization's policies and procedures that require the practitioner to communicate to the responsible party known and suspected fraud and noncompliance with laws or regulations, uncorrected misstatements, and, when relevant to the subject matter, internal control deficiencies identified during the engagement?	AT-C 205.87							
2.123	When the engaging party is not the responsible party, what are your organization's policies and procedures for communicating this information to the engaging party?	AT-C 205.87							
2.124	If the practitioner has identified or suspects fraud or noncompliance with laws or regulations in connection with the engagement, what are your audit organization's policies and procedures that require the practitioner to consider responsibilities under the AICPA Code of Professional Conduct and applicable law prior to communicating such information either to the responsible party or the engaging party?	AT-C 205.88							
<b>Additional GAGAS Requirements - Auditor Communication</b>									
2.125	If the law or regulation requiring an examination engagement specifically identifies the entities to be examined, what are your organization's policies and procedures that require auditors to communicate pertinent information that in the auditors' professional judgment needs to be communicated to:	GAO 7.09							
	Individuals contracting for or requesting the examination engagement?	GAO 7.09							
	Those legislative committees, if any, that have ongoing oversight responsibilities for the audited entity?	GAO 7.09							
2.126	If the identity of those charged with governance is not clearly evident, what policies and procedures does your organization have that require auditors to document the process followed and conclusions reached in identifying the appropriate individuals to receive the required communications?	GAO 7.10							
<b>Documentation</b>									
2.127	What are your audit organization's policies and procedures that require the practitioner to prepare engagement documentation that is sufficient to determine the following?	AT-C 205.89							
	The nature, timing, and extent of the procedures performed to comply with relevant AT-C sections and applicable legal and regulatory requirements, including:	AT-C 205.89							
	The identifying characteristics of the specific items or matters tested.	AT-C 205.89							
	Who performed the engagement work and the date such work was completed.	AT-C 205.89							
	The discussions with the responsible party or others about findings or issues that, in the practitioner's professional judgment, are significant, including the nature of the significant findings or issues discussed, and when and with whom the discussions took place.	AT-C 205.89							
	When the engaging party is the responsible party and the responsible party will not provide one or more of the requested written representations or the practitioner concludes that there is sufficient doubt about the competence, integrity, ethical values, or diligence of those providing the written representations; or that the written representations are otherwise not reliable, the matters in AT-C 205.56.	AT-C 205.89							

	When the engaging party is not the responsible party and the responsible party will not provide the written representations regarding the matters in AT-C 205.51, the oral responses from the responsible party to the practitioner's inquiries regarding the matters in AT-C 205.51 in accordance with AT-C 205.52	AT-C 205.89							
	Who reviewed the engagement work performed and the date and extent of such review.	AT-C 205.89							
	How the practitioner addressed the inconsistency and if the practitioner identified information that is inconsistent with the practitioner's final opinion regarding a significant matter.	AT-C 205.89							
	The results of the procedures performed and the evidence obtained.	AT-C 205.89							
2.128	If, in circumstances such as those described in AT-C 205.49, the practitioner performs new or additional procedures or draws new conclusions after the date of the practitioner's report, what are your audit organization's policies and procedures that require the practitioner to document the following?	AT-C 205.90							
	The circumstances encountered.	AT-C 205.90							
	The new or additional procedures performed, evidence obtained, and conclusions reached and their effect on the report.	AT-C 205.90							
	When and by whom the resulting changes to the documentation were made and reviewed.	AT-C 205.90							
<b>Additional GAGAS Requirements - Examination Engagement Documentation</b>									
2.129	What are your organization's policies and procedures that require the auditors, before the date of the examination report, to document supervisory review of the evidence that supports the findings, conclusions, and recommendations contained in the examination report?	GAO 7.33a							
2.130	When the examination engagement does not comply with applicable GAGAS requirements because of law, regulation, scope limitations, restrictions on access to records, or other issues affecting the examination engagement, what policies and procedures does your organization have that require auditors to document any departures from GAGAS requirements and the effect on the examination engagement and on the auditors' conclusions?	GAO 7.33b							
2.131	What are your organization's policies and procedures that require auditors to prepare attest documentation in sufficient detail to enable an experienced auditor, having no previous connection to the examination engagement, to understand from the documentation the nature, timing, extent, and results of procedures performed and the evidence obtained and its source and the conclusions reached, including evidence that supports the auditors' significant judgments and conclusions?	GAO 7.34							
<b>Additional GAGAS Requirements - Availability of Individuals and Documentation</b>									
2.123	Subject to applicable provisions of laws and regulations, what are your organization's policies and procedures that require auditors to make appropriate individuals and examination engagement documentation available upon request and in a timely manner to other auditors or reviewers?	GAO 7.37							



3.5	If the engagement is a recurring engagement, what are your audit organization's policies and procedures that require the practitioner to assess whether circumstances require revision to the terms of the preceding engagement, and if not, remind the engaging party of, and document, the terms of the current engagement?	AT-C 210.10								
<b>Requesting a Written Assertion</b>										
3.6	What are your audit organization's policies and procedures that require the practitioner to request from the responsible party a written assertion about the measurement or evaluation of the subject matter against the criteria?	AT-C 210.11								
3.7	What are your audit organization's policies and procedures that require the practitioner to use professional judgment in determining whether management has a reasonable basis for making its assertion?	AT-C 210.11								
3.8	What are your audit organization's policies and procedures that require the practitioner to withdraw from the engagement, when withdrawal is possible under applicable law or regulation, when the engaging party is the responsible party and refuses to provide a written assertion (paragraph 61)	AT-C 210.11								
3.9	What are your audit organization's policies and procedures that require the practitioner to disclose that refusal in the practitioner's report and restrict the use of the report to the engaging party when the engaging party is not the responsible party and the responsible party refuses to provide a written assertion?	AT-C 210.11								
<b>Planning and Performing the Engagement</b>										
3.10	What are your audit organization's policies and procedures that require the practitioner to set the scope, timing, and direction of the engagement and determine the nature, timing, and extent of the procedures that are necessary to achieve the objectives of the engagement?	AT-C 210.12								
3.11	What are your audit organization's policies and procedures that require the practitioner to obtain an understanding of the subject matter and other engagement circumstances sufficient to do the following:	AT-C 210.13								
	Enable the practitioner to identify areas in which a material misstatement is likely to arise	AT-C 210.13								
	Provide a basis for designing and performing procedures to address the areas identified in the prior requirement and to obtain limited assurance about whether any material modifications should be made to the subject matter in order for it to be in accordance with (or based on) the criteria, or the assertion, in order for it to be fairly stated	AT-C 210.13								
3.12	What are your audit organization's policies and procedures that require the practitioner to make inquiries of the responsible party regarding:	AT-C 210.14								

	Whether the responsible party has an internal audit function. If the responsible party has an internal audit function, the practitioner should make further inquiries to obtain an understanding of the activities and main findings of the internal audit function with respect to the subject matter.	AT-C 210.14							
	Whether the responsible party has used any specialists in the preparation of the subject matter.	AT-C 210.14							
<b>Materiality in Planning and Performing the Engagement</b>									
3.13	What are your audit organization's policies and procedures that require the practitioner to consider materiality when:	AT-C 210.15							
	Establishing the overall engagement strategy, including when determining the nature, timing, and extent of procedures?	AT-C 210.15							
	Evaluating whether the practitioner is aware of any material modifications that should be made to the subject matter in order for it to be in accordance with (or based on) the criteria or the assertion in order for it to be fairly stated?	AT-C 210.15							
3.14	What are your audit organization's policies and procedures that require the practitioner to reconsider materiality for the subject matter if the practitioner becomes aware of information during the engagement that would have caused the practitioner to have initially determined a different materiality.	AT-C 210.16							
<b>Procedures to Be Performed to Obtain Limited Assurance</b>									
3.15	To obtain limited assurance, what are your audit organization's policies and procedures that require the practitioner to obtain sufficient appropriate review evidence to reduce attestation risk to a level that is acceptable in the circumstances of the engagement as a basis for expressing a conclusion about whether the practitioner is aware of any material modifications that should be made to the subject matter in order for it to be in accordance with (or based on) the criteria, or the assertion, in order for it to be fairly stated?	AT-C 210.17							
3.15	Based on the practitioner's understanding obtained pursuant to AT-C 210.13, what are your audit organization's policies and procedures for designing and performing procedures to obtain limited assurance to support the practitioner's conclusion?	AT-C 210.18							
3.15a	In doing so, what are your organization's policies and procedures that ensure the practitioner identifies and places increased focus on those areas in which the practitioner believes there are increased risks that the subject matter may be materially misstated?	AT-C 210.18							
<b>Analytical Procedures</b>									
3.16	What are your audit organization's policies and procedures that require, when designing and performing analytical procedures, the practitioner to:	AT-C 210.19							
	Determine the suitability of particular analytical procedures for the subject matter, taking into account the practitioner's awareness of risks?	AT-C 210.19							
	Evaluate the reliability of data from which the practitioner's expectation is developed, taking into account the source, comparability, nature, and relevance of information available?	AT-C 210.19							
	Develop an expectation with respect to recorded amounts or ratios?	AT-C 210.19							

3.17	If analytical procedures identify fluctuations or relationships that are inconsistent with other relevant information or that differ significantly from expected amounts or ratios, what are your audit organization's policies and procedures that require the practitioner to inquire of the responsible party about such differences and consider the responses to these inquiries to determine whether other procedures are necessary in the circumstances?	AT-C 210.20								
<b>Inquiries</b>										
3.18	What are your audit organization's policies and procedures that require the practitioner to inquire of the responsible party about the following?	AT-C 210.21								
	Whether the subject matter has been prepared in accordance with (or based on) the criteria.	AT-C 210.21								
	The practices used by the responsible party to measure, recognize, and record the subject matter.	AT-C 210.21								
	Questions that have arisen in the course of applying the review procedures.	AT-C 210.21								
	Communications from regulatory agencies or others, if relevant.	AT-C 210.21								
3.19	What are your audit organization's policies and procedures that require the practitioner to consider the reasonableness and consistency of the responsible party's responses in light of the results of other review procedures and the practitioner's knowledge of the subject matter, criteria, and responsible party?	AT-C 210.22								
<b>Fraud, Laws, and Regulations</b>										
3.20	What are your audit organization's policies and procedures that require the practitioner to make inquiries of appropriate parties to determine whether they have knowledge of any actual, suspected, or alleged fraud or noncompliance with laws or regulations affecting the subject matter?	AT-C 210.23								
3.21	What are your audit organization's policies and procedures that require the practitioner to respond appropriately to fraud or suspected fraud and noncompliance or suspected noncompliance with laws or regulations affecting the subject matter that is identified during the engagement?	AT-C 210.24								
<b>Additional GAGAS Requirements – Noncompliance with Provisions of Laws, Regulations, Contracts, and Grant Agreements</b>										
3.22	What policies and procedures does your organization have that require auditors to extend the AICPA requirements concerning consideration of noncompliance with laws and regulations to include consideration of noncompliance with provisions of contracts and grant agreements?	GAO 7.73								
<b>Incorrect, Incomplete, or Otherwise Unsatisfactory Information</b>										
3.23	During the performance of review procedures, if the practitioner becomes aware that information coming to the practitioner's attention is incorrect, incomplete, or otherwise unsatisfactory, what are your audit organization's policies and procedures that require the practitioner to request that the responsible party consider the effect of these matters on the subject matter and communicate the results of its consideration to the practitioner? The practitioner should consider the results communicated to the practitioner by the responsible party and the potential effect, if any, on the practitioner's report.	AT-C 210.25								

3.24	If the practitioner believes the subject matter may be materially misstated, what are your audit organization's policies and procedures that require the practitioner to perform additional procedures sufficient to obtain limited assurance about whether any material modifications should be made to the subject matter in order for it to be in accordance with (or based on) the criteria or the assertion in order for it to be fairly stated?	AT-C 210.26								
<b>Using the Work of a Practitioner's Specialist or Internal Auditors</b>										
3.25	When the practitioner expects to use the work of a practitioner's specialist or internal auditors, what are your audit organization's policies and procedures that require the practitioner to apply the requirements in AT-C 205, <i>Assertion-Based Examination Engagements</i> , and the related application guidance, as appropriate, for a review engagement?	AT-C 210.27								
<b>Evaluating the Results of Review Procedures</b>										
3.26	What are your audit organization's policies and procedures that require the practitioner to accumulate misstatements identified during the engagement, other than those that are clearly trivial?	AT-C 210.28								
3.27	What are your audit organization's policies and procedures that require the practitioner to evaluate whether sufficient appropriate review evidence has been obtained from the procedures performed and, if not, to perform additional procedures based on the practitioner's professional judgment that are necessary in the circumstances to be able to form a conclusion on the subject matter?	AT-C 210.29								
3.28	What are your audit organization's policies and procedures that require, if the practitioner is unable to obtain sufficient appropriate review evidence, to note that a scope limitation exists, and apply the guidance in AT-C 210.60?	AT-C 210.30								
<b>Considering Subsequent Events and Subsequently Discovered Facts</b>										
3.29	What are your audit organization's policies and procedures that require the practitioner to inquire whether the responsible party, and if different, the engaging party, is aware of any events subsequent to the period (or point in time) covered by the review engagement up to the date of the practitioner's report that could have a significant effect on the subject matter or assertion?	AT-C 210.31								
3.30	If the practitioner becomes aware, through inquiry or otherwise, of such an event, or any other event that is of such a nature and significance that its disclosure is necessary to prevent users of the report from being misled, and information about that event is not adequately disclosed by the responsible party in the subject matter or in its assertion, what are your audit organization's policies and procedures that require the practitioner to take appropriate action?	AT-C 210.31								
3.31	What are your audit organization's policies and procedures that require the practitioner to respond appropriately to facts that become known to the practitioner after the date of the report that, had they been known to the practitioner at that date, may have caused the practitioner to revise the report.	AT-C 210.32								
<b>Written Representations</b>										

3.32	What are your audit organization's policies and procedures that require the practitioner to request from the responsible party the following written representations in the form of a letter addressed to the practitioner?	AT-C 210.33							
	The responsible party's assertion about the subject matter based on the criteria.	AT-C 210.33							
	A statement that all relevant matters are reflected in the measurement or evaluation of the subject matter or assertion.	AT-C 210.33							
	A statement that all known matters contradicting the subject matter or assertion and any communication from regulatory agencies or others affecting the subject matter or assertion have been disclosed to the practitioner, including communications received between the end of the period addressed in the written assertion and the date of the practitioner's report.	AT-C 210.33							
	Acknowledgement of responsibility for the subject matter and the assertion; selecting the criteria, when applicable; and determining that such criteria are suitable, will be available to the intended users, and appropriate for the purpose of the engagement.	AT-C 210.33							
	A statement that the responsible party has disclosed to the practitioner all deficiencies in internal control relevant to the engagement of which the responsible party is aware; its knowledge of any actual, suspected, or alleged fraud or noncompliance with laws or regulations affecting the subject matter; and other matters as the practitioner deems appropriate.								
	A statement that any known events subsequent to the period (or point in time) of the subject matter being reported on that would have a material effect on the subject matter or assertion have been disclosed to the practitioner.	AT-C 210.33							
	A statement that it has provided the practitioner with all relevant information and access, as agreed upon in the terms of the engagement.	AT-C 210.33							
	If applicable, a statement that the responsible party believes the effects of uncorrected misstatements are immaterial, individually and in the aggregate, to the subject matter.	AT-C 210.33							
	If applicable, a statement that significant assumptions used in making any material estimates are reasonable.	AT-C 210.33							
3.33	When the engaging party is not the responsible party, and the responsible party refuses to provide the representations in AT-C 210.33 in writing, what are your audit organization's policies and procedures that require the practitioner to make inquiries of the responsible party about, and seek oral responses to, the matters in AT-C 210.33?	AT-C 210.34							
3.34	When the engaging party is not the responsible party, what are your audit organization's policies and procedures that require the practitioner to request the following written representations from the engaging party, in addition to those requested from the responsible party, in the form of a letter addressed to the practitioner?	AT-C 210.35							
	Acknowledgement that the responsible party is responsible for the subject matter and assertion.	AT-C 210.35							

	Acknowledgement of the engaging party's responsibility for selecting the criteria.	AT-C 210.35							
	Acknowledgement of the engaging party's responsibility for determining that such criteria are suitable, will be available to the intended users, and are appropriate for the purposes of the engagement	AT-C 210.35							
	A statement that the engaging party is not aware of any material misstatements in the subject matter or assertion.	AT-C 210.35							
	A statement that the engaging party has disclosed to the practitioner all known events subsequent to the period (or point in time) of the subject matter being reported on that would have a material effect on the subject matter or assertion	AT-C 210.35							
	Other matters as the practitioner deems appropriate.	AT-C 210.35							
3.35	When written representations are directly related to matters that are material to the subject matter, what are your audit organization's policies and procedures that require the practitioner to evaluate their reasonableness and consistency with other evidence obtained, including other representations (oral or written) and consider whether those making the representations can be expected to be well informed on the particular matters?	AT-C 210.36							
3.36	What are your organization's policies and procedures that require the written representations to be dated as of the date of the practitioner's report, and address the subject matter and periods covered by the practitioner's conclusion?	AT-C 210.37							
<b>Requested Written Representations Not Provided or Not Reliable</b>									
3.37	When the engaging party is the responsible party, and one or more of the requested written representations are not provided, or the practitioner concludes that there is sufficient doubt about the competence, integrity, ethical values, or diligence of those providing the written representations, or the practitioner concludes that the written representations are otherwise not reliable, what are your audit organization's policies and procedures that require the practitioner to do the following?	AT-C 210.38							
	Discuss the matter with the appropriate party.	AT-C 210.38							
	Reevaluate the integrity of those from whom the representations were requested or received and evaluate the effect that this may have on the reliability of representations and evidence in general.	AT-C 210.38							
	If any of the matters are not resolved to the practitioner's satisfaction, take appropriate action, including determining the possible effect on the practitioner's conclusion.	AT-C 210.38							
3.38	When the engaging party is not the responsible party, what are your audit organization's policies and procedures that require:	AT-C 210.39							

	If one or more of the requested representations are not provided in writing by the responsible party, but the practitioner receives satisfactory oral responses to the practitioner's inquiries performed in accordance with AT-C 210.34 sufficient to enable the practitioner to conclude that the practitioner has sufficient appropriate review evidence to form a conclusion about the subject matter, the practitioner's report should contain a separate paragraph that restricts the use of the report to the engaging party.	AT-C 210.39							
	If one or more of the requested representations are provided neither in writing nor orally from the responsible party in accordance with AT-C 210.34, a scope limitation exists, and the guidance in AT-C 210.60 applies.	AT-C 210.39							
<b>Other Information</b>									
3.39	If prior to or after the release of the practitioner's report on subject matter or an assertion, the practitioner is willing to permit the inclusion of the practitioner's report in a document that contains the subject matter or assertion and other information, what are your audit organization's policies and procedures that require the practitioner to read the other information to identify material inconsistencies, if any, with the subject matter, assertion, or the practitioner's report?	AT-C 210.40							
3.39a	If upon reading the other information, in the practitioner's professional judgment, a material inconsistency between that other information and the subject matter, assertion, or the practitioner's report exists, or a material misstatement of fact exists in the other information, the subject matter, assertion, or the practitioner's report, what are your audit organization's policies and procedures that require the practitioner to discuss the matter with the responsible party and take further action as appropriate?	AT-C 210.40							
<b>Description of Criteria</b>									
3.40	What are your audit organization's policies and procedures that require the practitioner to evaluate whether the written description of the subject matter or assertion adequately refers to or describes the criteria?	AT-C 210.41							
<b>Forming the Conclusion</b>									
3.41	What are your audit organization's policies and procedures that require the practitioner to form a conclusion about whether the practitioner is aware of any material modifications that should be made to the subject matter in order for it to be in accordance with (or based on) the criteria or to the responsible party's assertion in order for it to be fairly stated?	AT-C 210.42							
3.42	In forming the conclusion, what are your audit organization's policies and procedures that require the practitioner to evaluate the practitioner's conclusion regarding the sufficiency and appropriateness of the review evidence obtained and whether uncorrected misstatements are material, individually or in the aggregate?	AT-C 210.42							

3.43	What are your audit organization's policies and procedures that require the practitioner to evaluate, based on the review evidence obtained, whether the presentation of the subject matter or assertion is misleading within the context of the engagement?	AT-C 210.43							
<b>Preparing the Practitioner's Report</b>									
3.44	What are your audit organization's policies and procedures that require the practitioner's report be in writing?	AT-C 210.44							
<b>Content of the Practitioner's Report</b>									
3.45	What are your audit organization's policies and procedures that require the practitioner's report to include the following?	AT-C 210.45							
	A title that includes the word <i>independent</i> .	AT-C 210.45							
	An appropriate addressee as required by the circumstances of the engagement.	AT-C 210.45							
	An identification or description of the subject matter or assertion being reported on, including the point in time or period of time to which the measurement or evaluation of the subject matter or assertion relates.	AT-C 210.45							
	An identification of the criteria against which the subject matter was measured or evaluated.	AT-C 210.45							
	A statement that identifies the responsible party and its responsibility for the subject matter in accordance with (or based on) the criteria or for its assertion.	AT-C 210.45							
	A statement that practitioner's responsibility is to express a conclusion on the subject matter or assertion, based on the practitioner's review.	AT-C 210.45							
	A statement that:	AT-C 210.45							
	The practitioner's review was conducted in accordance with attestation standards established by the AICPA.	AT-C 210.45							
	Those standards require that the practitioner plan and perform the review to obtain limited assurance about whether any material modifications should be made to: (1) the subject matter in order for it to be in accordance with (or based on) the criteria (or equivalent language regarding the subject matter and criteria, such as the language used in the examples in AT-C 210.A74) or (2) the responsible party's assertion in order for it to be fairly stated.	AT-C 210.45							
	the practitioner believes the review evidence the practitioner obtained is sufficient and appropriate to provide a reasonable basis for the practitioner's conclusion.	AT-C 210.45							

	A statement that the procedures performed in a review vary in nature and timing from, and are substantially less in extent than, an examination, the objective of which is to obtain reasonable assurance about whether the subject matter is in accordance with (or based on) the criteria, in all material respects, or the responsible party's assertion is fairly stated, in all material respects, in order to express an opinion. Because of the limited nature of the engagement, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an examination been performed.	AT-C 210.45								
	A statement that the practitioner is required to be independent and to meet the practitioner's other ethical responsibilities in accordance with relevant ethical requirements relating to the review engagement.	AT-C 210.45								
	A statement that describes significant inherent limitations, if any, associated with the measurement or evaluation of the subject matter against the criteria.	AT-C 210.45								
	A description of the work performed as a basis for the practitioner's conclusion.	AT-C 210.45								
	The practitioner's conclusion about whether, based on the review, the practitioner is aware of any material modifications that should be made to (1) the subject matter in order for it be in accordance with (or based on) the criteria or (2) the responsible party's assertion in order for it to be fairly stated.	AT-C 210.45								
	The manual or printed signature of the practitioner's firm.	AT-C 210.45								
	The city and state where the practitioner's report is issued.	AT-C 210.45								
	The date of the report. The report should be dated no earlier than the date on which the practitioner has obtained sufficient appropriate review evidence on which to base the practitioner's conclusion, including evidence that the attestation documentation has been reviewed; if applicable, the written presentation of the subject matter has been prepared; and the responsible party has provided a written assertion or, in the circumstances described in AT-C 210.A49, an oral assertion.	AT-C 210.45								
<i>Restricted-Use Paragraph</i>										
3.46	What are your audit organization's policies and procedures that require, in any of the following circumstances, the practitioner's report include an alert, in a separate paragraph, that restricts the use of the report?	AT-C 210.46								
	The practitioner determines that the criteria used to evaluate the subject matter are appropriate only for a limited number of parties who either participated in their establishment or can be presumed to have an adequate understanding of the criteria.	AT-C 210.46								
	The criteria used to evaluate the subject matter are available only to specified parties.	AT-C 210.46								

	The engaging party is not the responsible party, and the responsible party does not provide the written representations required by AT-C 210.33, but does provide oral responses to the practitioner's inquiries about the matters in AT-C 210.33, as provided for in AT-C 210.34 and .39a. In this case, the use of the practitioner's report should be restricted to the engaging party.	AT-C 210.46								
3.47	What are your audit organization's policies and procedures that require the alert to state that the practitioner's report is intended solely for the information and use of the specified parties, identify the specified parties for whom use is intended, and state that the report is not intended to be, and should not be, used by anyone other than the specified parties?	AT-C 210.47								
3.48	When the engagement is also performed in accordance with <i>Government Auditing Standards</i> , what are your audit organization's policies and procedures that require the alert that restricts the use of the practitioner's report to include a description of the purpose of the report and a statement that the report is not suitable for any other purpose, rather than the information required by AT-C 210.47?	AT-C 210.48								
<b>Additional GAGAS Requirements - Reporting Auditors' Compliance with GAGAS</b>										
3.49	What are your organization's policies and procedures that require the auditors to include an unmodified GAGAS compliance statement (stating that the auditors conducted the engagement in accordance with GAGAS) in the review report when they have (1) followed unconditional and applicable presumptively mandatory GAGAS requirements, or (2) followed unconditional requirements, documented justification for any departures from applicable presumptively mandatory requirements, and achieved the objectives of those requirements through other means?	GAO 2.17a, 7.74								
3.50	What are your organization's policies and procedures that require the auditors to include a modified GAGAS compliance statement in the review report stating that either (1) the auditors conducted the engagement in accordance with GAGAS, except for specific applicable requirements that were not followed, or (2) because of the significance of the departure(s) from the requirements, the auditors were unable to and did not conduct the engagement in accordance with GAGAS?	GAO 2.17b, 7.74								
3.51	When auditors use a modified GAGAS compliance statement, what are your organization's policies and procedures that require auditors to disclose in the report:	GAO 2.18, 7.74								
	The applicable requirement(s) not followed?	GAO 2.18, 7.74								
	The reasons for not following the requirement(s)?	GAO 2.18, 7.74								
	How not following the requirement(s) affected, or could have affected, the engagement and the assurance provided?	GAO 2.18, 7.74								
3.52	When auditors do not comply with applicable requirements, what are your organization's policies and procedures that require the auditors to:	GAO 2.19, 7.74								
	Assess the significance of the noncompliance to the engagement objectives.	GAO 2.19, 7.74								

	Document the assessment, along with their reasons for not following the requirement(s).	GAO 2.19, 7.74							
	Determine the type of GAGAS compliance statement.	GAO 2.19, 7.74							
<b>Reporting on Subject Matter or a Written Assertion</b>									
3.53	What are your audit organization's policies and procedures that ensure the practitioner reports on a written assertion or directly on the subject matter?	AT-C 210.49							
3.53a	What are your audit organization's policies and procedures that ensure, if the practitioner is reporting on an assertion, that the assertion is bound with or accompanies the practitioner's report, or that the assertion is clearly stated in the report?	AT-C 210.50							
<b>Reference to the Practitioner's Specialist</b>									
3.54	What are your audit organization's policies and procedures that prohibit the practitioner from referring to the work of a practitioner's specialist in the practitioner's report containing an unmodified conclusion?	AT-C 210.51							
<b>Modified Conclusions</b>									
<i>Misstatement of Subject Matter</i>									
3.55	If a practitioner engaged to perform a review engagement becomes aware that the subject matter is misstated, and is not corrected, what are your audit organization's policies and procedures that require the practitioner to consider whether a modification of the conclusion in the standard practitioner's report is adequate to disclose the misstatement of the subject matter?	AT-C 210.52							
3.56	What are your audit organization's policies and procedures that require, when, in the practitioner's professional judgment, the subject matter is materially misstated, that the practitioner modifies the conclusion to express a qualified or adverse conclusion?	AT-C 210.53							
3.57	What are your audit organization's policies and procedures that require the practitioner to include a separate paragraph in the practitioner's report that provides a description of the nature of the matter giving rise to the modification and, if practicable, includes the effects on the subject matter?	AT-C 210.54							
3.58	What are your audit organization's policies and procedures that require the practitioner to express a qualified conclusion when, in the practitioner's professional judgment, the effects of a matter are material but not pervasive? A qualified conclusion is expressed as being "except for" the effects of the matter to which the qualification relates.	AT-C 210.55							
3.59	What are your audit organization's policies and procedures that require the practitioner to express an adverse conclusion when the practitioner, having obtained sufficient appropriate review evidence, concludes that misstatements, individually or in the aggregate, are both material and pervasive to the subject matter?	AT-C 210.56							

3.60	What are your audit organization's policies and procedures that require, if the practitioner believes that conditions exist that, individually or in combination, result in one or more material misstatements based on the criteria, the practitioner to modify the conclusion and express a qualified or an adverse conclusion directly on the subject matter, not on the assertion, even when the assertion acknowledges the misstatement?	AT-C 210.57							
3.61	What are your audit organization's policies and procedures that require the practitioner's conclusion on the subject matter or assertion be clearly separated from any paragraphs emphasizing matters related to the subject matter or any other reporting responsibilities?	AT-C 210.58							
3.62	What are your organization's policies and procedures for ensuring that any paragraphs emphasizing matters related to the subject matter or any other reporting responsibilities are phrased in a manner that makes it clear that these paragraphs are not intended to detract from that conclusion or to imply that the practitioner has obtained reasonable assurance?	AT-C 210.58							
3.63	What are your audit organization's policies and procedures that require the practitioner to indicate in the practitioner's report that reference to an external specialist (when the conclusion is modified and reference to an external specialist is relevant to the understating of the qualification) does not reduce the practitioner's responsibility for that conclusion?	AT-C 210.59							
<b>Scope Limitations</b>									
3.64	When a scope limitation exists, what are your audit organization's policies and procedures that require the practitioner to withdraw from the engagement, when withdrawal is possible under applicable laws and regulations?	AT-C 210.60							
<b>Responsible Party Refuses to Provide a Written Assertion</b>									
3.65	If the engaging party is the responsible party and refuses to provide the practitioner with a written assertion as required by AT-C 210.11, what are your audit organization's policies and procedures that require the practitioner to withdraw from the engagement when withdrawal is possible under applicable law or regulations?	AT-C 210.61							
3.66	When the engaging party is not the responsible party and the responsible party refuses to provide the practitioner with a written assertion, what are your audit organization's policies and procedures that require that the practitioner report on the subject matter, disclose in the practitioner's report the responsible party's refusal to provide a written assertion, and restrict the use of the practitioner's report to the engaging party?	AT-C 210.62							
<b>Additional GAGAS Requirements - Distributing Reports</b>									
3.67	If the subject matter or the assertion involves material that is classified or contains confidential or sensitive information, what are your organization's policies and procedures that require auditors to limit report distribution, and document any limitation on report distribution?	GAO 7.77							

3.68	What are your organization's policies and procedures that require reports be distributed to those charged with governance, to the appropriate audited entity officials, and to the appropriate oversight bodies or organizations requiring or arranging for the engagements?	GAO 7.77a								
3.69	What are your organization's policies and procedures that require auditors to distribute, as appropriate, copies of the reports to other officials who have legal oversight authority and to others authorized to receive such reports?	GAO 7.77a								
<b>Communication Responsibilities</b>										
3.70	What are your audit organization's policies and procedures that require the practitioner to communicate to the responsible party (and the engaging party when not the responsible party) known and suspected fraud and noncompliance with laws or regulations, as well as uncorrected misstatements?	AT-C 210.63								
3.71	What are your audit organization's policies and procedures that require, in the event the practitioner encounters known or suspected fraud or noncompliance with laws or regulations in connection with the engagement, the practitioner to consider responsibilities under the AICPA Code of Professional Conduct (AICPA code) and applicable law prior to communicating such information either to the responsible party or the engaging party?	AT-C 210.64								
<b>Documentation</b>										
3.72	What are your audit organization's policies and procedures that require the practitioner to prepare engagement documentation that is sufficient to determine the following?	AT-C 210.65								
	The nature, timing, and extent of the procedures performed to comply with relevant AT-C sections and applicable legal and regulatory requirements, including:	AT-C 210.65								
	The identifying characteristics of the specific items or matters tested.	AT-C 210.65								
	Who performed the engagement work and the date such work was completed.	AT-C 210.65								
	The discussions with the responsible party or others about findings or issues that, in the practitioner's professional judgment, are significant, including the nature of the significant findings or issues discussed, and when and with whom the discussions took place.	AT-C 210.65								
	When the engaging party is the responsible party and the responsible party will not provide one or more of the requested written representations; the practitioner concludes that there is sufficient doubt about the competence, integrity, ethical values, or diligence of those providing the written representations; or that the written representations are otherwise not reliable, the matters in AT-C 210.38.	AT-C 210.65								

	When the engaging party is not the responsible party and the responsible party will not provide the written representations regarding the matters in AT-C 210.33, the oral responses from the responsible party to the practitioner's inquiries regarding the matters in AT-C 210.33, in accordance with AT-C 210.34.	AT-C 210.65							
	Who reviewed the engagement work performed and the date and extent of such review.	AT-C 210.65							
	If the practitioner identified information that is inconsistent with the practitioner's final conclusion regarding a significant matter, how the practitioner addressed the inconsistency.	AT-C 210.65							
	The results of the procedures performed and the review evidence obtained.	AT-C 210.65							
3.73	If, in circumstances such as those described in AT-C 210.32, the practitioner performs new or additional procedures or draws new conclusions after the date of the practitioner's report, what are your audit organization's policies and procedures that require the practitioner to document the following?	AT-C 210.66							
	The circumstances encountered.	AT-C 210.66							
	The new or additional procedures performed, evidence obtained, and conclusions reached and their effect on the report.	AT-C 210.66							
	When and by whom the resulting changes to the documentation were made and reviewed.	AT-C 210.66							



4.5	What are your audit organization's policies and procedures that preclude the practitioner from accepting an agreed-upon procedures engagement if the practitioner believes the intended purpose of the engagement is not clear or the engaging party will not have a basis for agreeing and acknowledging that the procedures are appropriate for the intended purpose of the engagement?	AT-C 215.13								
<b>Agreeing on the Terms of the Engagement</b>										
4.6	What are your audit organization's policies and procedures that require the practitioner to agree upon the terms of the engagement with the engaging party, and specify the agreed-upon terms of the engagement in sufficient detail in an engagement letter or other suitable form of written agreement?	AT-C 215.14								
4.7	What are your audit organization's policies and procedures for ensuring the agreed-upon terms of the engagement include the following:	AT-C 215.15								
	The nature of the engagement established pursuant to AT-C 215.12?	AT-C 215.15(a)								
	Identification of the subject matter and the responsible party?	AT-C 215.15(b)								
	The responsibilities of the practitioner?	AT-C 215.15(c)								
	A statement that the engagement will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants?	AT-C 215.15(d)								
	A statement that the responsible party is responsible for the subject matter?	AT-C 215.15(e)								
	A statement that the engaging party agrees to provide the practitioner, prior to the completion of the engagement, with a written agreement and acknowledgment that the procedures performed are appropriate for the intended purpose of the engagement?	AT-C 215.15(f)								
	A statement that the engaging party agrees to provide, at the conclusion of the engagement, a representation letter?	AT-C 215.15(g)								
	If known at the onset of the engagement, an identification of any other parties, in addition to the engaging party, that will be requested to agree to the procedures and acknowledge that the procedures performed are appropriate for their purposes? If the request is expected to be made by the engaging party, a statement that the engaging party agrees to provide, at the conclusion of the engagement, a written representation that the engaging party has obtained from all necessary other parties agreement to the procedures and acknowledgment that the procedures performed are appropriate for their	AT-C 215.15(h)								
	If the engaging party is not the responsible party, a statement that written representations may be requested from the responsible party?	AT-C 215.15(i)								
	Reference to the expected form and content of the practitioner's agreed-upon procedures report, including any use restrictions, if applicable?	AT-C 215.15(j)								
	Disclaimers expected to be included in the practitioner's report, if applicable?	AT-C 215.15(k)								
	Assistance to be provided to the practitioner, if applicable?	AT-C 215.15(l)								
	Involvement of a practitioner's external specialist, if applicable?	AT-C 215.15(m)								
	Specified thresholds for reporting exceptions, if applicable?	AT-C 215.15(n)								



	The use of vague or ambiguous language?	AT-C 215.26(a)							
	Including terms of uncertain meaning?	AT-C 215.26(b)							
	Expressing an opinion or conclusion on the subject matter or about whether the subject matter is in accordance with (or based on) the criteria?	AT-C 215.26(c)							
<b>Written Representations</b>									
4.19	What are your audit organization's policies and procedures that require the practitioner to request from the engaging party the following written representations in the form of a letter addressed to the practitioner:	AT-C 215.27							
	A statement that the responsible party is responsible for the subject matter?	AT-C 215.27(a)							
	If applicable, a statement that the engaging party has obtained from all necessary parties agreement to the procedures and acknowledgment that the procedures are appropriate for their purposes?	AT-C 215.27(b)							
	A statement that it has provided the practitioner with all relevant information and access, as applicable, as agreed upon in the terms of the engagement?	AT-C 215.27(c)							
	A statement that all known matters contradicting the subject matter and any communication from regulatory agencies or others affecting the subject matter have been disclosed to the practitioner, including communications received between the end of the period addressed by the subject matter and the date of the practitioner's report?	AT-C 215.27(d)							
	A statement that it is not aware of any material misstatements in the subject matter?	AT-C 215.27(e)							
	A statement that it has disclosed to the practitioner all known events subsequent to the period (or point in time) of the subject matter being reported on that would have a material effect on the subject matter?	AT-C 215.27(f)							
	Any additional representations that the practitioner determines are appropriate?	AT-C 215.27(g)							
4.20	When the engaging party is not the responsible party, what are your audit organization's policies and procedures that require the practitioner to consider requesting the relevant written representations pursuant to AT-C 215.27 from the responsible party in the form of a letter addressed to the practitioner?	AT-C 215.28							
4.21	What are your organization's policies and procedures that require the written representations be dated as of the date of the practitioner's report, and address the subject matter and periods covered by the practitioner's findings?	AT-C 215.29							
<b>Requested Written Representations Not Provided or Not Reliable</b>									
4.22	When one or more of the written representations that the practitioner has requested pursuant to AT-C 215.27-.28 are not provided, or the practitioner concludes that there is sufficient doubt about the competence, integrity, ethical values, or diligence of those providing the written representations, or the practitioner concludes that the written representations are otherwise not reliable, what are your audit organization's policies and procedures that require the practitioner to do the following:	AT-C 215.30							
	Discuss the matter with the engaging or responsible party, as appropriate?	AT-C 215.30(a)							
	Reevaluate the integrity of those from whom the representations were requested or received and evaluate the effect that this may have on the reliability of representations and evidence in general?	AT-C 215.30(b)							

	If any of the matters are not resolved to the practitioner's satisfaction, take appropriate action, including determining the possible effect on the practitioner's agreed-upon procedures report?	AT-C 215.30(c)								
<b>Preparing the Practitioner's Report</b>										
4.23	What are your audit organization's policies and procedures that require the practitioner's report be in writing, and be in the form of procedures and findings?	AT-C 215.31-.32								
4.24	If, as a result of performing procedures, the practitioner determines that the description of the procedures performed or the corresponding findings, in the practitioner's professional judgment, are misleading in the circumstances of the engagement, what are your audit organization's policies and procedures that require the practitioner to discuss the matter with the engaging party and take appropriate action?	AT-C 215.33								
<b>Content of the Practitioner's Agreed-Upon Procedures Report</b>										
4.25	What are your audit organization's policies and procedures that require the practitioner's agreed-upon procedures report to include the following:	AT-C 215.34								
	A title that includes the word independent to clearly indicate that it is the report of an independent accountant?	AT-C 215.34(a)								
	An appropriate addressee as required by the circumstances of the engagement?	AT-C 215.34(b)								
	An identification of the engaging party?	AT-C 215.34(c)								
	Identification of the subject matter to which the procedures have been applied?	AT-C 215.34(d)								
	Identification of the responsible party, including a statement that the responsible party is responsible for the subject matter? (When the engaging party is not the responsible party and identification of the responsible party and its responsibility for the subject matter is based solely on representations received from the engaging party, the practitioner's agreed-upon procedures report should include a statement to that effect.)	AT-C 215.34(e)								
	A statement that the engaging party acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement?	AT-C 215.34(f)								
	An identification of the intended purpose of the engagement in sufficient detail to enable the user to understand the nature of the work performed?	AT-C 215.34(g)								
	A statement that the practitioner's report may not be suitable for any other purpose?	AT-C 215.34(h)								
	A statement that the procedures performed may not address all the items of interest to a user of the report and may not meet the needs of all users of the report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes?	AT-C 215.34(i)								
	A statement that an agreed-upon procedures engagement involves the practitioner performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed?	AT-C 215.34(j)								
	A description of the procedures performed detailing the nature and extent, and if applicable, the timing, of each procedure?	AT-C 215.34(k)								
	A description of the findings from each procedure performed, including sufficient details on exceptions found?	AT-C 215.34(l)								

	If applicable, a description of any specified threshold established by the engaging party for reporting exceptions?	AT-C 215.34(m)							
	A statement that the agreed-upon procedures engagement was conducted in accordance with attestation standards established by the AICPA?	AT-C 215.34(n)							
	A statement that the practitioner was not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the subject matter?	AT-C 215.34(o)							
	A statement that the practitioner does not express such an opinion or conclusion?	AT-C 215.34(p)							
	A statement that had the practitioner performed additional procedures, other matters might have come to the practitioner's attention that would have been reported?	AT-C 215.34(q)							
	A statement that the practitioner is required to be independent of the responsible party and to meet the practitioner's other ethical responsibilities, in accordance with the relevant ethical requirements relating to the agreed-upon procedures engagement?	AT-C 215.34(r)							
	If applicable, a description of the nature of the assistance provided by a practitioner's external specialist, as discussed in AT-C 215.19-.20?	AT-C 215.34(s)							
	When applicable, reservations or restrictions concerning procedures or findings?	AT-C 215.34(t)							
	The manual or printed signature of the practitioner's firm?	AT-C 215.34(u)							
	The city and state where the practitioner's report is issued?	AT-C 215.34(v)							
	The date of the report? (The report should be dated no earlier than the date on which the practitioner completed the procedures and determined the findings, including that the attestation documentation has been reviewed and, if applicable, the written presentation of the subject matter	AT-C 215.34(w)							
<b>Alert That Restricts the Use of the Practitioner's Agreed-Upon Procedures Report</b>									
4.26	What are your audit organization's policies and procedures that require the practitioner to consider whether to include an alert, in a separate paragraph, that restricts the use of the practitioner's agreed-upon procedures report, taking into account the understanding with the engaging party regarding	AT-C 215.35							
4.27	What are your audit organization's policies and procedures for ensuring the alert includes the following items:	AT-C 215.36							
	States that the practitioner's report is intended solely for the information and use of the specified parties?	AT-C 215.36(a)							
	Identifies the specified parties for whom use is intended?	AT-C 215.36(b)							
	States that the report is not intended to be, and should not be, used by anyone other than the specified parties?	AT-C 215.36(c)							
<b>Additional GAGAS Requirements - Reporting Auditors' Compliance with GAGAS</b>									
4.28	What are your organization's policies and procedures that require the auditors to include an unmodified GAGAS compliance statement (stating that the auditors conducted the engagement in accordance with GAGAS) in the agreed upon procedures engagement report when they have (1) followed unconditional and applicable presumptively mandatory GAGAS requirements, or (2) followed unconditional requirements, documented justification for any departures from applicable presumptively mandatory requirements, and achieved the objectives of those requirements through other means	GAO 2.17a, 7.82							

4.29	What are your organization's policies and procedures that require the auditors to include a modified GAGAS compliance statement in the agreed upon procedures engagement report stating that either (1) the auditors conducted the engagement in accordance with GAGAS, except for specific applicable requirements that were not followed, or (2) because of the significance of the departure(s) from the requirements, the auditors were unable to and did not conduct the engagement in accordance with GAGAS?	GAO 2.17b, 7.82								
4.30	When auditors use a modified GAGAS compliance statement, what are your organization's policies and procedures that require auditors disclose in the report the applicable requirement(s) not followed, the reasons for not following the requirement(s), and how not following the requirement(s) affected, or could have affected, the engagement and the assurance provided?	GAO 2.18, 7.82								
4.31	When auditors do not comply with applicable requirements, what are your organization's policies and procedures that require the auditors assess the significance of the noncompliance to the engagement objectives; document the assessment, along with their reasons for not following the requirement(s); and determine the type of GAGAS compliance statement?	GAO 2.19, 7.82								
<b>Additional GAGAS Requirements - Distributing Reports</b>										
4.30	If the subject matter or the assertion involves material that is classified or contains confidential or sensitive information, what are your organization's policies and procedures that require auditors to limit the report distribution, and document any limitation on report distribution?	GAO 7.85								
4.31	What are your organization's policies and procedures that require reports be distributed to those charged with governance, to the appropriate audited entity officials, and to the appropriate oversight bodies or organizations requiring or arranging for the engagements?	GAO 7.85a								
4.32	What are your organization's policies and procedures that require auditors to distribute, as appropriate, copies of the reports to other officials who have legal oversight authority and to others authorized to receive such reports?	GAO 7.85a								
<b>Adding Other Specified Parties After the Release of the Practitioner's Report</b>										
4.33	When the practitioner issues a report that includes an alert restricting the use of the practitioner's report to certain specified parties, and the engaging party subsequently requests that the practitioner add an additional specified party, what are your audit organization's policies and procedures that require the practitioner to consider the following in determining whether to add the additional specified party:	AT-C 215.37								
	Whether the additional specified party has acknowledged or will be requested to acknowledge that the procedures performed are appropriate for their purposes; and if the practitioner determines that the acknowledgment is necessary, obtain such acknowledgment directly from the additional specified party or obtain a representation from the engaging party that the additional specified party has agreed to the procedures and acknowledged that the procedures performed are appropriate for their purposes?	AT-C 215.37(a)								
	Whether the report will be reissued to identify the additional specified party?	AT-C 215.37(b)								

4.34	If the practitioner provides a written acknowledgment to the engaging party and the additional party that such party has been added as a specified party, what are your audit organization's policies and procedures that require the practitioner to state in the acknowledgment that no procedures were performed subsequent to the original date of the practitioner's agreed-upon procedures report?	AT-C 215.38								
<b>Restrictions on the Performance of Procedures</b>										
4.35	When circumstances impose restrictions on the performance of the procedures, what are your audit organization's policies and procedures that require the practitioner to discuss with the engaging party whether those restrictions are appropriate and, if the restrictions are appropriate, describe the restrictions in the practitioner's report?	AT-C 215.39								
<b>Knowledge of Matters Outside Agreed-Upon Procedures</b>										
4.36	Although the practitioner need not perform procedures beyond the procedures agreed to and acknowledged by the engaging party to be appropriate for the intended purpose of the engagement, if in connection with the application of the procedures, and through the completion of the engagement, matters come to the practitioner's attention by other means that significantly contradict the subject matter referred to in the practitioner's report, what are your audit organization's policies and procedures that require the practitioner to discuss the matter with the engaging party and take appropriate action, including determining whether the practitioner's report should be revised to disclose the matter?	AT-C 215.40								
<b>Communication Responsibilities</b>										
4.37	In the event the practitioner encounters known or suspected fraud or noncompliance with laws or regulations in connection with the engagement, what are your audit organization's policies and procedures that require the practitioner to consider responsibilities under the AICPA Code of Professional Conduct and applicable law prior to communicating such information either to the responsible party or the engaging party?	AT-C 215.41								
<b>Additional GAGAS Requirements – Noncompliance with Provisions of Laws, Regulations, Contracts, and Grant Agreements</b>										
4.38	What policies and procedures does your organization have that require auditors to extend the AICPA requirements concerning consideration of noncompliance with laws and regulations to include consideration of noncompliance with provisions of contracts and grant agreements?	GAO 7.81								
<b>Documentation</b>										
4.39	What are your audit organization's policies and procedures that require the practitioner to prepare engagement documentation on a timely basis that includes the following:	AT-C 215.42								
	The written agreement and acknowledgment from the engaging party regarding the appropriateness of the procedures performed for the intended purpose of the engagement, as required by AT-C 215.22?	AT-C 215.42(a)								
	The nature, timing, and extent of the procedures performed to comply with relevant sections and applicable legal and regulatory requirements, including:	AT-C 215.42(b)								
	The identifying characteristics of the specific items or matters tested?	AT-C 215.42(b)(i)								

	Who performed the engagement work and the date such work was completed?	AT-C 215.42(b)(ii)							
	When the appropriate party will not provide one or more of the requested written representations pursuant to AT-C 215.27-.28 or the practitioner concludes that there is sufficient doubt about the competence, integrity, ethical values, or diligence of those providing the written representations, or that the written representations are otherwise not reliable, the matters in AT-C 215.29a-c?	AT-C 215.42(b)(iii)							
	Who reviewed the engagement work performed and the date and extent of such review?	AT-C 215.42(b)(iv)							
	The results of the procedures performed and the evidence obtained?	AT-C 215.42(c)							



5.6	In an engagement to examine an entity's compliance with specified requirements when the entity has operations in several components (for example, locations, branches, subsidiaries, or programs), what are your audit organization's policies and procedures that require the practitioner to determine the nature, timing, and extent of testing to be performed at individual components?	AT-C 315.14							
5.7	What are your audit organization's policies and procedures that require the practitioner to obtain an understanding of relevant portions of internal control over compliance sufficient to plan the engagement and to assess control risk for compliance with specified requirements?	AT-C 315.15							
5.8	For engagements involving compliance with regulatory requirements, what are your audit organization's policies and procedures that require the practitioner's procedures include reviewing reports of relevant examinations and related communications between regulatory agencies and the entity and, when appropriate, making inquiries of the regulatory agencies, including inquiries about examinations in progress?	AT-C 315.16							

**Written Representations in an Examination Engagement**

5.9	In an examination engagement, in addition to the written representations from management required by AT-C 205, what are your audit organization's policies and procedures that require the practitioner to request written representations from management that include the following?	AT-C 315.17							
	Acknowledgement of management's responsibility for establishing and maintaining effective internal control over compliance.	AT-C 315.17							
	A statement that management has performed an evaluation of the entity's compliance with specified requirements.	AT-C 315.17							
	A statement of management's interpretation of any compliance requirements that have varying interpretations.	AT-C 315.17							
	A statement that management has disclosed any known noncompliance occurring during or subsequent to the period covered by the practitioner's report.	AT-C 315.17							
5.10	In an examination of compliance, what are your audit organization's policies and procedures that require the practitioner to request from management the written representations required by AT-C 205 and AT-C 315.17, even if the engaging party is not management?	AT-C 315.18							

**Forming the Opinion**

5.11	In evaluating whether the entity has complied with the specified requirements, in all material respects, (or whether management's assertion about its compliance with the specified requirements is fairly stated, in all material respects), what are your audit organization's policies and procedures that require the practitioner to evaluate the nature and frequency of the noncompliance identified and whether such noncompliance is material relative to the nature of the compliance requirements?	AT-C 315.19							
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**Content of the Practitioner's Examination Report**

5.12	What are your audit organization's policies and procedures that require the practitioner's examination report on compliance to include the following, unless the practitioner is disclaiming an opinion (in which case, two items as noted below are omitted)?	AT-C 315.20								
	A title that includes the word independent.	AT-C 315.20								
	An appropriate addressee as required by the circumstances of the engagement.	AT-C 315.20								
	An identification of the compliance matters that are being reported on or the assertion about such matters, including the point in time or period of time to which the measurement or evaluation of compliance relates.	AT-C 315.20								
	An identification of the specified requirements against which compliance was measured or evaluated.	AT-C 315.20								
	A statement that identifies:	AT-C 315.20								
	Management and its responsibility for compliance with the specified requirements (when reporting on the subject matter) or for its assertion (when reporting on the assertion).	AT-C 315.20								
	The practitioner's responsibility to express an opinion on the entity's compliance with the specified requirements or on management's assertion about the entity's compliance with the specified requirements, based on the practitioner's examination.	AT-C 315.20								
	A statement that (Omitted if the practitioner is disclaiming and opinion)	AT-C 315.20								
	The examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants.	AT-C 315.20								
	Those standards require that the practitioner plan and perform the examination to obtain reasonable assurance about whether (1) the entity complied with the specified requirements, in all material respects, or (2) management's assertion about compliance with the specified requirements is fairly stated, in all material respects.	AT-C 315.20								
	The practitioner believes the evidence obtained is sufficient and appropriate to provide a reasonable basis for the practitioner's opinion.	AT-C 315.20								
	A description of the nature of an examination engagement (Omitted if the practitioner is disclaiming and opinion)	AT-C 315.20								
	A statement that the practitioner is required to be independent and to meet the practitioner's other ethical responsibilities in accordance with relevant ethical requirements related to the examination engagement.	AT-C 315.20								
	A statement that describes significant inherent limitations, if any, associated with the measurement or evaluation of the entity's compliance with specified requirements or its assertion thereon.	AT-C 315.20								
	A statement that the examination does not provide a legal determination on the entity's compliance with specified requirements.	AT-C 315.20								

	The practitioner's opinion about whether, in all material respects (1) the entity complied with the specified requirements or (2) management's assertion about the entity's compliance with specified requirements is fairly stated.	AT-C 315.20								
	When the circumstances identified in AT-C 205 are applicable, an alert in a separate paragraph that restricts the use of the report or describes the purpose of the report, as applicable.	AT-C 315.20								
	The manual or printed signature of the practitioner's firm.	AT-C 315.20								
	The city and state where the practitioner practices.	AT-C 315.20								
	The date of the report. (The report should be dated no earlier than the date on which the practitioner has obtained sufficient appropriate evidence on which to base the practitioner's opinion, including evidence that the attestation documentation has been reviewed, and management has provided a written assertion.)	AT-C 315.20								
5.13	If the criteria are not included in the compliance requirement, what are your audit organization's policies and procedures that require the report to identify the criteria?	AT-C 315.21								
<b>Modified Opinions</b>										
5.14	If the practitioner determines that there is material noncompliance, what are your audit organization's policies and procedures that require the practitioner's report to describe the material noncompliance, and modify the opinion in accordance with section AT-C 205.	AT-C 315.22								
<b>Preconditions for an Agreed-Upon Procedures Engagement</b>										
5.15	What are your audit organization's policies and procedures that require the practitioner to determine, prior to accepting an attestation engagement to apply agreed-upon procedures related to compliance with specified requirements or internal control over compliance with specified requirements, that:	AT-C 315.23								
	Management accepts responsibility for the entity's compliance with specified requirements and the entity's internal control over compliance.	AT-C 315.23								
5.16	What are your audit organization's policies and procedures that require the practitioner to perform the following procedures to obtain an understanding of the specified requirements?	AT-C 315.24								
	Consider laws, regulations, rules, contracts, and grants that pertain to the specified requirements, including published requirements.	AT-C 315.24								
	Consider knowledge about the specified requirements obtained through prior engagements and regulatory reports.	AT-C 315.24								
	Discuss with appropriate individuals within the entity (for example, the chief financial officer, internal auditors, legal counsel, compliance officer, or grant or contract administrators).	AT-C 315.24								
<b>Written Representations in an Agreed-Upon Procedures Engagement</b>										

5.17	In an agreed-upon procedures engagement, in addition to the written representations from management required by AT-C 215, what are your audit organization's policies and procedures that require the practitioner to request written representations from management that include the following?	AT-C 315.25							
	Acknowledgement of management's responsibility for establishing and maintaining effective internal control over compliance.	AT-C 315.25							
	A statement of management's interpretation of any compliance requirements that have varying interpretations.	AT-C 315.25							
	A statement that management has disclosed any noncompliance occurring subsequent to the period covered by the practitioner's report.	AT-C 315.25							
<b>Content of the Practitioner's Agreed-Upon Procedures Report</b>									
5.18	What are your audit organization's policies and procedures that require the practitioner's agreed-upon procedures report on compliance to include the following?	AT-C 315.26							
	A title that includes the word independent.	AT-C 315.26							
	An appropriate addressee as required by the circumstances of the engagement.	AT-C 315.26							
	Identification of the engaging party	AT-C 315.26							
	Indication that the subject matter to which the procedures have been applied is the entity's compliance (or internal control over compliance) during a period or as of a point in time.	AT-C 315.26							
	Identification of the specified requirements against which the entity's compliance (or internal control over compliance) was measured or evaluated.	AT-C 315.26							
	An indication that management of the entity is responsible for the entity's compliance (or internal control over compliance) with the specified requirements.	AT-C 315.26							
	A statement that the engaging party acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement.	AT-C 315.26							
	A statement that the purpose of the engagement is to assist users in determining whether the entity complied with the specified requirements (or internal control over compliance with specified requirements)	AT-C 315.26							
	A statement that the practitioner's report may not be suitable for any other purpose.	AT-C 315.26							
	A statement that the procedures performed may not address all the items of interest to a user of the report and may not meet the needs of all users of the report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.	AT-C 315.26							
	A statement that an agreed-upon procedures engagement involves the practitioner performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed	AT-C 315.26							
	A description of the procedures performed detailing the nature and extent, and if applicable, the timing of each procedure.	AT-C 315.26							

	A description of the findings from each procedure performed, including sufficient details on exceptions found. (The practitioner should not provide a conclusion.)	AT-C 315.26							
	If applicable, a description of any specified threshold established by management for reporting exceptions.	AT-C 315.26							
	A statement that the agreed-upon procedures engagement was conducted in accordance with attestation standards established by the AICPA.	AT-C 315.26							
	A statement that the practitioner was not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on compliance with specified requirements (or internal control over compliance with specified requirements)	AT-C 315.26							
	A statement that the practitioner does not express such an opinion or conclusion.	AT-C 315.26							
	A statement that had the practitioner performed additional procedures, other matters might have come to the practitioner's attention that would have been reported.	AT-C 315.26							
	A statement that the practitioner is required to be independent of the entity and to meet the practitioner's other ethical responsibilities, in accordance with the relevant ethical requirements relating to the agreed-upon procedures engagement	AT-C 315.26							
	If applicable, a description of the nature of the assistance provided by a practitioner's external specialist.	AT-C 315.26							
	When applicable, reservations or restrictions concerning procedures or findings.	AT-C 315.26							
	The manual or printed signature of the practitioner's firm.	AT-C 315.26							
	The city and state where the practitioner practices.	AT-C 315.26							
	The date of the report. (The report should be dated no earlier than the date on which the practitioner completed the procedures and determined the findings, including that the attestation documentation has been reviewed.	AT-C 315.26							

**Alert that Restricts the Use of the Practitioner's Agreed-Up Procedures Report**

5.19	What are your audit organization's policies and procedures that require the practitioner's to consider whether to include an alert, in a separate paragraph, that restricts the use of the practitioner's agreed-upon procedures report, taking into account the understanding with the engaging party regarding the nature of the engagement.	AT-C 315.27							
	If that practitioner determines to include an alert, in a separate paragraph, that restricts the use of the practitioner's reports, what are your audit organizations policies and procedures that require the alert:	AT-C 315.28							
	State that the practitioner's report is intended solely for the information and use of the specified parties.	AT-C 315.28							
	Identify the specified parties for whom use is intended.	AT-C 315.28							
	State that the report is not intended to be, and should not be, used by anyone other than the specified parties.	AT-C 315.28							

5.20	When the engagement is also performed in accordance with Government Auditing Standards, and the practitioner determines to include an alert, in a separate paragraph that restricts the use of the practitioner's report, what are your audit organizations policies and procedures that require the alert include the following information, rather than the information required by paragraph .28:	AT-C 315.29								
	A description of the purpose of the report	AT-C 315.29								
	A statement indicating that the report is not suitable for any other purpose	AT-C 315.29								



	Preliminary discussions with the engaging party, including discussion when agreeing upon the terms of the engagement	AT-C 206.08								
<b>Terms of the Engagement</b>										
6.5	What are your organization's policies and procedures that ensure the following agreed-upon terms of the engagement are included?  AT-C 205.07 requires the practitioner to agree upon the terms of the engagement with the engaging party and that the agreement be in sufficient detail in an engagement letter or other suitable form of written agreement)	AT-C 206.09								
	The objective and scope of the engagement	AT-C 206.09								
	The responsibilities of the practitioner	AT-C 206.09								
	A statement that the engagement will be conducted in accordance with attestation standards established by the AICPA	AT-C 206.09								
	The responsibilities of the responsible party and the responsibilities of the engaging party, if different, including the following:	AT-C 206.09								
	The responsible party is responsible for the underlying subject matter									
	The responsible party or engaging party, as applicable, is responsible for the following:									
	Selecting the criteria for the measurement, evaluation, or disclosure of the underlying subject matter	AT-C 206.09								
	Determining that such criteria are suitable, will be available to the intended users, and are appropriate for the purpose of the engagement	AT-C 206.09								
	A statement about the inherent limitations of an examination engagement	AT-C 206.09								
	Identification of the criteria for the measurement, evaluation, or disclosure of the underlying subject matter	AT-C 206.09								
	An acknowledgment that the engaging party agrees to provide the practitioner with a representation letter at the conclusion of the engagement	AT-C 206.09								
<b>Written Representations</b>										
6.6	What are your organization's policies and procedures for requesting from the responsible party written representations in the form of a letter addressed to the practitioner? These representations should:	AT-C 206.10								
	State that all known matters contradicting the measurement or evaluation of the underlying subject matter or the subject matter information, and any communication from regulatory agencies or others affecting the underlying subject matter or subject matter information have been disclosed to the practitioner, including communications received between the end of the period addressed by the practitioner's report and the date of the practitioner's report.	AT-C 206.10								
	Acknowledge responsibility for:	AT-C 206.10								
	The underlying subject matter;	AT-C 206.10								
	Selecting the criteria, when applicable;	AT-C 206.10								
	Determining that such criteria are suitable, will be available to the intended users, and are appropriate for the purpose of the engagement.	AT-C 206.10								
	State that the responsible party has disclosed to the practitioner:	AT-C 206.10								
	All deficiencies in internal control relevant to the underlying subject matter of which the responsible party is aware;	AT-C 206.10								

	Its knowledge of any actual, suspected, or alleged fraud or noncompliance with laws or regulations affecting the underlying subject matter or subject matter information; and	AT-C 206.10							
	Other matters as the practitioner deems appropriate	AT-C 206.10							
	State that any known events occurring subsequent to the period (or point in time) of the underlying subject matter or subject matter information being reported on that would have a material effect on the underlying subject matter or subject matter information have been disclosed to the practitioner.	AT-C 206.10							
	State that it has provided the practitioner with all relevant information and access as agreed upon in the terms of the engagement.	AT-C 206.10							
6.7	What are your organization's policies and procedures for, when the engaging party is not the responsible party, requesting written representations from the engaging party in addition to those requested from the responsible party, in the form of a letter addressed to the practitioner? These representations should:	AT-C 206.11							
	Acknowledge that the responsible party is responsible for the underlying subject matter.	AT-C 206.11							
	Acknowledge the engaging party's responsibility for selecting the criteria, when applicable.	AT-C 206.11							
	Acknowledge the engaging party's responsibility for determining that such criteria are suitable, will be available to the intended users, and are appropriate for the purpose of the engagement.	AT-C 206.11							
	State that the engaging party is not aware of any material misstatements in the underlying subject matter or subject matter information.	AT-C 206.11							
	State that the engaging party has disclosed to the practitioner all known events subsequent to the period (or point in time) of the subject matter information being reported on that would have a material effect on the subject matter information.	AT-C 206.11							
	Address other matters as the practitioner deems appropriate.	AT-C 206.11							
<b>Content of the Practitioner's Report</b>									
6.8	What are your organization's policies and procedures for ensuring the practitioner's report includes the following (except in cases of a disclaimed opinion as noted below)?	AT-C 206.12							
	A title that includes the word independent.	AT-C 206.12							
	An appropriate addressee as required by the circumstances of the engagement.	AT-C 206.12							
	An identification or description of the subject matter information being reported on, including the point in time or period of time to which the measurement or evaluation of the underlying subject matter against the criteria relates.	AT-C 206.12							
	An identification of the criteria against which the underlying subject matter was measured or evaluated.	AT-C 206.12							
	An identification of:	AT-C 206.12							
	The responsible party and its responsibility for the underlying subject matter.	AT-C 206.12							
	The practitioner's responsibility for:	AT-C 206.12							
	Measuring or evaluating the underlying subject matter against the criteria and performing other procedures.	AT-C 206.12							
	Expressing an opinion that conveys the results of the practitioner's measurement or evaluation of the underlying subject matter against the criteria, based on the practitioner's examination, and	AT-C 206.12							

Presenting any subject matter information as part of the practitioner's measurement or evaluation, when applicable.	AT-C 206.12								
<b>Note: Rows 72-76 are not applicable if the practitioner is disclaiming an opinion.</b>									
A statement that:	AT-C 206.12								
The practitioner's examination was conducted in accordance with attestation standards established by the AICPA.	AT-C 206.12								
Those standards require that the practitioner obtain reasonable assurance by measuring or evaluating the underlying subject matter against the criteria and performing other procedures to obtain sufficient appropriate evidence to express an opinion that conveys the result of that measurement or evaluation.	AT-C 206.12								
The practitioner believes the evidence the practitioner obtained is sufficient and appropriate to provide a reasonable basis for the practitioner's opinion.	AT-C 206.12								
A description of the nature of a direct examination engagement.	AT-C 206.12								
A statement that the practitioner is required to be independent and to meet the practitioner's other ethical responsibilities in accordance with relevant ethical requirements related to the examination engagement.	AT-C 206.12								
A statement that describes significant inherent limitations, if any, associated with the measurement or evaluation of the underlying subject matter against the criteria.	AT-C 206.12								
The practitioner's opinion conveying the results of the practitioner's measurement or evaluation of the underlying subject matter against the criteria	AT-C 206.12								
The manual or printed signature of the practitioner's firm.	AT-C 206.12								
The city and state where the practitioner's report is issued.	AT-C 206.12								
The date of the report. Note: The report should be dated no earlier than the date on which the practitioner has obtained sufficient appropriate evidence on which to base the practitioner's opinion, including evidence that:	AT-C 206.12								
The attestation documentation has been reviewed, and	AT-C 206.12								
If applicable, the written presentation of the subject matter information has been prepared.	AT-C 206.12								

**Audit Review Guide | Attestation Engagement | Coversheet**

Audit Organization Under Review	<input type="text"/>
Engagement Under Review	<input type="text"/>
Person(s) Who Completed This Form	<input type="text"/>
External Peer Review Team Leader	<input type="text"/>
Date	<input type="text"/>
Engagement Period	<input type="text"/>
Summary Results of Review	<input type="text"/>

**Guide for Review of Attestation Engagements**

**Purpose**

The purpose of the Guide for Review of Attestation Engagements is to assist the reviewer in determining the extent to which the particular engagement under review was conducted in accordance with generally accepted auditing standards and the Government Auditing Standards (2018 Revision) issued by the U.S. Government Accountability Office.

**Instructions**

The guide contains separate checklists (worksheets) for each type of attestation engagement. The reviewer should complete the checklist applicable to all engagements, as well as the checklist applicable to the type of engagement (examination, review, agreed-upon-procedures, or compliance attestation) under review.

The reviewer should complete the review steps and check “Yes” “No” or “N/A” in the appropriate place at the end of each step. The comments column can be used to further explain a response, and should be used to reference “No” answers to the Matters for Further Consideration (MFC) form.

The questions in this guide emphasize reporting matters and general procedures ordinarily performed by an independent auditor in performing an attestation

**References to Standards**

The guide includes references to certain professional literature. Below is a listing:

AT-C Professional Standards – Attestation Standards: Through SSAE 22

GAO Government Auditing Standards, 2018 Revision



Engagement Review Guide | Attestation Engagement | Checklist

Please Enter Audit Under Review on Coversheet

			Totals:			0	0	0	(0 of 25 questions answered)
Question #	Question	Standard Reference	Yes	No	N/A	Comments			
<b>1   GAGAS General Standards</b>									
<b>Independence</b>									
1.1	In all matters relating to the GAGAS engagement, were the auditors and the audit organization independent from the audited entity during the subject matter period and period of professional engagement?	GAO 3.18, 3.20							
1.2	Did the auditors use professional judgment and apply the conceptual framework at the audit organization, engagement team, and individual auditor levels to:	GAO 3.27, 3.29, 3.30							
	Identify threats to independence, including evaluating the following broad categories:	GAO 3.27a							
	Self-interest threat?	GAO 3.30a							
	Self-review threat?	GAO 3.30b							
	Bias threat?	GAO 3.30c							
	Familiarity threat?	GAO 3.30d							
	Undue influence threat?	GAO 3.30e							
	Management participation threat?	GAO 3.30f							
	Structural threat?	GAO 3.30g							
	Evaluate the significance of threats identified, both individually and in the aggregate?	GAO 3.27b							
	Apply safeguards as necessary to eliminate the threats or reduce them to an acceptable level?	GAO 3.27c							
1.3	If the auditors became aware of new information or changes in facts and circumstances that could affect whether a threat had been eliminated or reduced to an acceptable level, did the auditors reevaluate threats to independence, including any safeguards applied?	GAO 3.28							
1.4	Did the auditors determine whether identified threats to independence were at an acceptable level or had been eliminated or reduced to an acceptable level, considering both qualitative and quantitative factors to determine the significance of a threat?	GAO 3.31							
1.5	In instances where threats to independence were not at an acceptable level, thereby requiring the application of safeguards, did the auditors document the threats identified and the safeguards applied to eliminate the threats or reduce them to an acceptable level?	GAO 3.32, 3.33, 3.107a							
1.6	If the auditors initially identified a threat to independence after the audit report was issued, did the auditors evaluate the threat's effect on the engagement and on GAGAS compliance?	GAO 3.34							

Totals:

0

0

0

(0 of 25 questions answered)

Question #	Question	Standard Reference	Yes	No	N/A	Comments
1.7	If the newly identified threat's effect on the engagement would have resulted in the audit report being different from the report issued had the auditors been aware of it, did the auditors:	GAO 3.34				
	Communicate, in the same manner as that used to originally distribute the report, to those charged with governance, the appropriate officials of the audited entity, the appropriate officials of the audit organization requiring or arranging for the engagements, and other known users, so that they did not continue to rely on findings or conclusions that were affected by the threat to independence?	GAO 3.34				
	Remove the report from the auditors' publicly accessible website and post a public notification that the report was removed (if previously posted)?	GAO 3.34				
	Determine whether to perform additional engagement work necessary to reissue the report, including any revised findings or conclusions, or to repost the original report if the additional engagement work did not result in a change in findings or conclusions?	GAO 3.34				
1.8	In instances where the audit organization was required to perform a nonaudit service that impaired the auditors' independence with respect to the required engagement, was the nature of the threat included in the audit report and the GAGAS compliance statement modified?	GAO 3.60, 3.84				
<b>Professional Judgment</b>						
1.9	After completing the review of this engagement, can you conclude that the auditors used professional judgment in planning and conducting the engagement, and in reporting the results?	GAO 3.109				
<b>Competence</b>						
1.10	Based on the work performed, does it appear that the staff assigned to conduct the attestation engagement collectively possessed (before beginning work on the engagement) the competence needed to address the engagement objectives and perform their work in accordance with GAGAS?	GAO 4.02				
1.11	Based on the work performed, does it appear that the auditors (before beginning work on the engagement) possessed the competence needed for their assigned roles?	GAO 4.03				
1.12	If specialists assisted the engagement team, based on the work performed, does it appear they were qualified and competent in their areas of specialization?	GAO 4.12				
<b>Quality Control and Assurance</b>						
1.13	Does it appear that the organization adhered to its system of quality control in the conduct of this engagement?	GAO 5.02				
<b>Engagement Performance</b>						
1.14	If auditors changed the engagement objectives during the engagement, did the auditors document the revised engagement objectives and the reasons for the change?	GAO 5.23				
1.15	If difficult or contentious issues arose among engagement team members during the course of conducting this GAGAS engagement:	GAO 5.24				
	Did appropriate consultation take place?	GAO 5.24a				

Totals:

0

0

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(0 of 25 questions answered)

Question #	Question	Standard Reference	Yes	No	N/A	Comments
	Did both the individual seeking consultation and the individual consulted document and agree upon the nature and scope of such consultations?	GAO 5.24b				
	Were the conclusions resulting from consultations documented, understood by both the individual seeking consultation and the individual consulted, and implemented?	GAO 5.24c				
<b>Supervision</b>						
1.16	Did the auditors communicate the identity and role of the engagement partner or director to management and those charged with governance of the audited entity?	GAO 5.37a				
<b>2   AICPA Concepts Common to All Attestation Engagements</b>						
<b>Conduct of an Attestation Engagement in Accordance with the Attestation Standards</b>						
2.1	If the practitioner agreed to follow specified government standards, guides, procedures, statutes, rules, and regulations, did the practitioner comply with those governmental requirements?	AT-C 105.19				
2.2	If the practitioner was required by law or regulation to use a specific layout, form, or wording of the auditor's report and the prescribed form of report is not acceptable or would cause a practitioner to make a statement that the practitioner has no basis to make, did the practitioner reword the prescribed form of report or attach an appropriately worded separate practitioner's report?	AT-C 105.20				
<b>Preconditions for an Attestation Engagement</b>						
2.3	Was the practitioner independent when performing the attestation engagement unless the practitioner was required by law or regulation to accept the engagement?	AT-C 105.26				
2.4	If it was discovered after the engagement had been accepted that one or more of the preconditions for an attestation engagement were not present, did the practitioner discuss the matter with the appropriate party and determine whether the matter could be resolved and whether it was appropriate to continue with the engagement?	AT-C 105.30				
<b>Using the Work of an Other Practitioner</b>						
2.5	If the work of an other practitioner was used, did the practitioner:	AT-C 105.33				
	Obtain an understanding of whether the other practitioner understood and would comply with the ethical requirements relevant to the engagement and was independent.	AT-C 105.33				
	Obtain an understanding of the other practitioner's professional competence.	AT-C 105.33				
	Communicate clearly with the other practitioner about the scope and timing of the other practitioner's work and findings.	AT-C 105.33				
	If assuming responsibility for the work of the other practitioner, was involved in the work of the other practitioner.	AT-C 105.33				
	Evaluate whether the other practitioner's work was adequate for the practitioner's purposes.	AT-C 105.33				
	Determine whether to make reference to the other practitioner in the practitioner's report.	AT-C 105.33				
<b>Engagement Documentation</b>						

Totals:

0

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(0 of 25 questions answered)

Question #	Question	Standard Reference	Yes	No	N/A	Comments
2.6	Was the engagement documentation prepared on a timely basis?	AT-C 105.37				
2.7	Was the engagement documentation assembled in an engagement file and was the administrative process of assembling the final engagement file completed no later than 60 days following the practitioner's report release date?	AT-C 105.38				
2.8	If the engagement documentation was amended or new engagement documentation was added to the engagement file after the documentation completion date, did the practitioner document the specific reasons for making the amendments or additions and when, and by whom. they were made and reviewed?	AT-C 105.40				
2.9	If the practitioner departed from a relevant, presumptively mandatory requirement, did the practitioner document the justification for the departure and how the alternative procedures performed in the circumstances were sufficient to achieve the intent of that requirement?	AT-C 105.44				

				Totals:			
				0	0	0	(0 of 116 questions answered)
Question #	Question	Standard Reference	Yes	No	N/A	Comments	
<b>2   Assertion-Based Examination Engagements</b>							
<b>Conduct of an Examination Engagement</b>							
2.1	Did the practitioner comply with AT-C 105 and any subject-matter AT-C section that is relevant to the engagement?	AT-C 205.05					
<b>Preconditions for an Examination Engagement</b>							
2.2	When the practitioner is not independent but is required by law or regulation to accept the engagement and report on the subject matter or assertion, did the practitioner disclaim an opinion and specifically state that the practitioner is not independent?	AT-C 205.06					
	Did the practitioner include all the reasons for the lack of independence, if the practitioner chooses to provide the reasons for the lack of independence? (The practitioner is neither required to provide, nor precluded from providing, the reasons for the lack of independence.)	AT-C 205.06					
<b>Agreeing on the Terms of the Engagement</b>							
2.3	Did the practitioner agree upon the terms of the engagement with the engaging party, and specify the following agreed-upon terms of the engagement in sufficient detail in an engagement letter or other suitable form of written agreement?	AT-C 205.07-.08					
	The objective and scope of the engagement.	AT-C 205.08					
	The responsibilities of the practitioner.	AT-C 205.08					
	A statement that the engagement will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants.	AT-C 205.08					
	The responsibilities of the responsible party and the responsibilities of the engaging party, if different.	AT-C 205.08					
	A statement about the inherent limitations of an examination engagement.	AT-C 205.08					
	Identification of the criteria for the measurement, evaluation, or disclosure of the subject matter.	AT-C 205.08					
	An acknowledgement that the engaging party agrees to provide the practitioner with a representation letter at the conclusion of the engagement.	AT-C 205.08					
<b>Requesting a Written Assertion</b>							
2.4	Did the practitioner request from the responsible party a written assertion about the measurement or evaluation of the subject matter against the criteria?	AT-C 205.10					
2.5	If the engaging party was the responsible party and refused to provide a written assertion, did the practitioner withdraw from the engagement (if possible under applicable law or regulation)?	AT-C 205.10					

Totals:

0	0	0	(0 of 116 questions answered)
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Question #	Question	Standard Reference	Yes	No	N/A	Comments
2.6	If the engaging party was not the responsible party, and the responsible party refused to provide a written assertion, did the practitioner disclose that refusal in the practitioner's report and restrict the use of the report to the engaging party?	AT-C 205.10				
<b>Planning and Performing the Engagement</b>						
2.7	Did the practitioner establish an overall engagement strategy that set the scope, timing, and direction of the engagement and guide the development of the engagement plan?	AT-C 205.11				
2.8	In establishing the overall engagement strategy, did the practitioner perform the following?	AT-C 205.12				
	Identify the characteristics of the engagement that define its scope and ascertain the reporting objectives of the engagement in order to plan the timing of the engagement and the nature of the communications required.	AT-C 205.12				
	Consider the factors that, in the practitioner's professional judgment, are significant in directing the engagement team's efforts.	AT-C 205.12				
	Consider the results of preliminary engagement activities, such as client acceptance, and, when applicable, whether knowledge gained on other engagements performed by the engagement partner for the entity is relevant.	AT-C 205.12				
	Ascertain the nature, timing, and extent of resources necessary to perform the engagement.	AT-C 205.12				
2.9	Did the practitioner develop a plan that includes a description of the following items?	AT-C 205.13				
	The nature, timing, and extent of planned risk assessment procedures.	AT-C 205.13				
	The nature, timing, and extent of planned further procedures.	AT-C 205.13				
	Other planned procedures required to be carried out so that the engagement complies with the attestation standards.	AT-C 205.13				
<b>Additional GAGAS Requirements - Results of Previous Engagements</b>						
2.1	During planning, did the auditors:	GAO 7.13				
	Ask management of the audited entity to identify previous audits, attestation engagements, and other studies that directly relate to the subject matter or an assertion about the subject matter of the examination engagement, including whether related recommendations were implemented?	GAO 7.13				
	Evaluate whether the audited entity took appropriate corrective action to address findings and recommendations from previous engagements that could have a significant effect on the subject matter or an assertion about the subject matter?	GAO 7.13				
	Use this information in assessing risk and determining the nature, timing, and extent of current work and determining the extent to which testing the implementation of the corrective actions was applicable to the current examination engagement objectives?	GAO 7.13				
<b>Additional GAGAS Requirements - Investigations or Legal Proceedings</b>						

Totals:

0 0 0 (0 of 116 questions answered)

Question #	Question	Standard Reference	Yes	No	N/A	Comments
2.11	Did the auditors inquire of management of the audited entity about whether any investigations or legal proceedings significant to the engagement objectives had been initiated or were in process with respect to the period under examination, and if so, did the auditors evaluate the effect of initiated or in-process investigations or legal proceedings on the current examination engagement?	GAO 7.14				
<b>Risk Assessment Procedures</b>						
2.12	Did the practitioner obtain an understanding of the subject matter and other engagement circumstances sufficient to:	AT-C 205.14				
	Enable the practitioner to identify and assess the risks of material misstatement in the subject matter?	AT-C 205.14				
	Provide a basis for designing and performing procedures to respond to the assessed risks and to obtain reasonable assurance to support the practitioner's opinion?	AT-C 205.14				
2.13	In obtaining an understanding of the subject matter, did the practitioner obtain an understanding of internal control over the preparation of the subject matter relevant to the engagement?	AT-C 205.15				
<b>Materiality in Planning and Performing the Engagement</b>						
2.14	When establishing the overall engagement strategy, did the practitioner consider materiality for the subject matter?	AT-C 205.17				
2.15	If the practitioner became aware of information during the engagement that would have caused the practitioner to have initially determined a different materiality, did the practitioner reconsider materiality for the subject matter?	AT-C 205.18				
<b>Identifying Risks of Material Misstatement</b>						
2.16	Did the practitioner identify and assess risks of material misstatement as the basis for designing and performing further procedures whose nature, timing, and extent were responsive to assessed risks of material misstatement and allowed the practitioner to obtain reasonable assurance about whether the subject matter was in accordance with (or based on) the criteria, in all material respects?	AT-C 205.19				
<b>Responding to Assessed Risks and Obtaining Evidence</b>						
2.17	To obtain reasonable assurance, did the practitioner obtain sufficient appropriate evidence to reduce attestation risk to an acceptably low level and thereby enable the practitioner to draw reasonable conclusions on which to base the practitioner's opinion?	AT-C 205.19				
2.18	Did the practitioner design and implement overall responses to address the assessed risks of material misstatement for the subject matter or assertion?	AT-C 205.21				
<b>Further Procedures</b>						
2.19	Did the practitioner design and perform further procedures whose nature, timing, and extent were based on, and responsive to, the assessed risks of material misstatement?	AT-C 205.22				
2.20	In designing and performing further procedures did the practitioner:	AT-C 205.23				

Totals:

0	0	0	(0 of 116 questions answered)
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Question #	Question	Standard Reference	Yes	No	N/A	Comments
	Consider the reasons for the assessment given to the risk of material misstatement, including the likelihood of material misstatement due to the particular characteristics of the subject matter and whether the practitioner intended to rely on the operating effectiveness of controls in determining the nature, timing, and extent of other procedures?	AT-C 205.23				
	Obtain more persuasive evidence the higher the practitioner's assessment of risk?	AT-C 205.23				
2.21	When designing and performing procedures, did the practitioner consider the relevance and reliability of the information to be used as evidence?	AT-C 205.24				
<b>Tests of Controls</b>						
2.22	Did the practitioner design and perform tests of controls to obtain sufficient appropriate evidence about the operating effectiveness of relevant controls if the practitioner intended to rely on the operating effectiveness of controls in determining the nature, timing, and extent of other procedures; procedures other than tests of controls could not alone provide sufficient appropriate evidence; or the subject matter was internal control?	AT-C 205.24				
2.23	If the practitioner designed and performed tests of controls to rely on their operating effectiveness and identified deviations in those controls, did the practitioner make specific inquiries and perform other procedures as necessary to understand these matters and their potential consequences?	AT-C 205.25				
2.24	Did the practitioner determine whether the tests of controls performed provided an appropriate basis for reliance on the controls, additional tests of controls were necessary, or the potential risks of misstatement needed to be addressed using other procedures?	AT-C 205.25				
<b>Procedures Other Than Tests of Controls</b>						
2.25	Did the practitioner, irrespective of the assessed risks of material misstatement, design and perform tests of details or analytical procedures related to the subject matter, unless the subject matter was internal control?	AT-C 205.27				
<b>Analytical Procedures Performed in Response to Assessed Risks</b>						
2.26	When designing and performing analytical procedures in response to assessed risks, did the practitioner:	AT-C 205.28				
	Determine the suitability of particular analytical procedures for the subject matter, taking into account the assessed risks of material misstatement and any related tests of details?	AT-C 205.28				
	Evaluate the reliability of data from which the practitioner's expectation is developed, taking into account the source, comparability, nature, and relevance of information available, and controls over their preparation?	AT-C 205.28				
	Develop an expectation that is sufficiently precise to identify possible material misstatements (taking into account whether analytical procedures are to be performed alone or in combination with tests of details)?	AT-C 205.28				

Totals:

0 0 0 (0 of 116 questions answered)

Question #	Question	Standard Reference	Yes	No	N/A	Comments
2.27	If analytical procedures identified fluctuations or relationships that were inconsistent with other relevant information or that differed significantly from expected amounts or ratios, did the practitioner investigate such differences by inquiring of the responsible party and obtaining additional evidence relevant to its responses and performing other procedures as necessary in the circumstances?	AT-C 205.29				
<b>Procedures Regarding Estimates</b>						
2.28	Based on the assessed risks of material misstatement, did the practitioner evaluate whether the responsible party appropriately applied the requirements of the criteria relevant to any estimated amounts and the methods for making estimates were appropriate and applied consistently and whether changes, if any, in reported estimates or in the method for making them from the prior period, if applicable, were appropriate in the circumstances?	AT-C 205.30				
2.29	When responding to an assessed risk of material misstatement related to an estimate, did the practitioner undertake one or more of the following, taking into account the nature of the estimates:	AT-C 205.31				
	Determining whether events occurring up to the date of the practitioner's report provide evidence regarding the estimate.	AT-C 205.31				
	Testing how the responsible party made the estimate and the data on which it was based. In doing so, the practitioner should have evaluated whether the method of measurement used was appropriate in the circumstances, assumptions used by the responsible party were reasonable, and data on which the estimate was based was sufficiently reliable for the practitioner's purposes.	AT-C 205.31				
	Testing the operating effectiveness of the controls over how the responsible party made the estimate, together with other appropriate further procedures.	AT-C 205.31				
	Developing a point estimate or a range to evaluate the responsible party's estimate.	AT-C 205.31				
<b>Sampling</b>						
2.30	If sampling was used, did the practitioner, when designing the sample, consider the purpose of the procedure and the characteristics of the population from which the sample would be drawn?	AT-C 205.32				
<b>Fraud, Laws, and Regulations</b>						
2.31	Did the practitioner perform the following?	AT-C 205.33				
	Consider whether risk assessment procedures and other procedures related to understanding the subject matter indicated risk of material misstatement due to fraud or noncompliance with laws or regulations.	AT-C 205.33				
	Make inquiries of appropriate parties to determine whether they had knowledge of any actual, suspected, or alleged fraud or noncompliance with laws or regulations affecting the subject matter.	AT-C 205.33				
	Evaluate whether there were unusual or unexpected relationships within the subject matter, or between the subject matter and other related information, that indicated risks of material misstatement due to fraud or noncompliance with laws or regulations.	AT-C 205.33				

Totals:

0	0	0	(0 of 116 questions answered)
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Question #	Question	Standard Reference	Yes	No	N/A	Comments
	Evaluate whether other information obtained indicated risk of material misstatement due to fraud or noncompliance with laws or regulations.	AT-C 205.33				
2.32	Did the practitioner respond appropriately to fraud or suspected fraud and noncompliance or suspected noncompliance with laws or regulations affecting the subject matter that was identified during the engagement?	AT-C 205.34				
<b>Additional GAGAS Requirements - Noncompliance with Provisions of Laws, Regulations, Contracts, and Grant Agreements</b>						
2.33	Did the auditors extend the AICPA requirements concerning consideration of noncompliance with laws and regulations to include consideration of noncompliance with provisions of contracts and grant agreements?	GAO 7.17				
<b>Revision of Risk Assessment</b>						
2.34	If the practitioner obtained evidence from performing further procedures, or if new information was obtained, either of which was inconsistent with the evidence on which the practitioner originally based the assessment, did the practitioner revise the assessment and modify the planned procedures accordingly?	AT-C 205.35				
<b>Evaluating the Reliability of Information Produced by the Entity</b>						
2.35	When using information produced by the entity, did the practitioner evaluate whether the information was sufficiently reliable for the practitioner's purposes, including, as necessary, the following:	AT-C 205.36				
	Obtaining evidence about the accuracy and completeness of the information.	AT-C 205.36				
	Evaluating whether the information was sufficiently precise and detailed for the practitioner's purposes.	AT-C 205.36				
<b>Using the Work of a Practitioner's Specialist</b>						
2.36	If the practitioner used the work of a practitioner's specialist, did the practitioner do the following?	AT-C 205.37				
	Evaluate whether the practitioner's specialist had the necessary competence, capabilities, and objectivity for the practitioner's purposes.	AT-C 205.37				
	Obtain a sufficient understanding of the field of expertise of the practitioner's specialist to enable the practitioner to determine the nature, scope, and objectives of that specialist's work for the practitioner's purposes and evaluate the adequacy of that work for the practitioner's purposes.	AT-C 205.37				
	Agree with the practitioner's specialist regarding the nature, scope, and objectives of that practitioner's specialist's work; the respective roles and responsibilities of the practitioner and that specialist; the nature, timing, and extent of communication between the practitioner and that specialist, including the form of any report or documentation to be provided by that specialist; and the need for the practitioner's specialist to observe confidentiality requirements.	AT-C 205.37				
	The adequacy of the work of the practitioner's specialist for the practitioner's purposes, including	AT-C 205.37				
	The relevance and reasonableness of the findings and conclusions of the practitioner's specialist and their consistency with other evidence;	AT-C 205.37				

Totals:

0 0 0

(0 of 116 questions answered)

Question #	Question	Standard Reference	Yes	No	N/A	Comments
	if the work of the practitioner's specialist involves the use of significant assumptions and methods, obtaining an understanding of those assumptions and methods and evaluating the relevance and reasonableness of those assumptions and methods in the circumstances, giving consideration to the rationale and support provided by the practitioner's specialist, and in relation to the practitioner's other findings and conclusions; and	AT-C 205.37				
	if the work of the practitioner's specialist involves the use of source data that are significant to the work of the practitioner's specialist, the relevance, completeness, and accuracy of that source data	AT-C 205.37				
2.37	If the practitioner determined that the work of the practitioner's specialist was not adequate for the practitioner's purposes, did the practitioner agree with the practitioner's specialist on the nature and extent of further work to be performed by the practitioner's specialist, or perform additional procedures appropriate to the circumstances?	AT-C 205.38				
2.38	In determining the nature, timing, and extent of procedures a practitioner performs when the practitioner expects to use the work of a practitioner's specialist, did the practitioner consider the following?	AT-C 205.39				
	The significance of that specialist's work in the context of the engagement.	AT-C 205.39				
	The nature of the matter to which that specialist's work relates.	AT-C 205.39				
	The risks of material misstatement in the matter to which that specialist's work relates.	AT-C 205.39				
	The practitioner's knowledge of, and experience with, previous work performed by that specialist.	AT-C 205.39				
	Whether that specialist is subject to the practitioner's firm's quality control policies and procedures.	AT-C 205.39				
<b>Using the Work of Internal Auditors</b>						
2.39	If the practitioner expected to use the work of the internal audit function in obtaining evidence or use internal auditors to provide direct assistance, did the practitioner determine whether the work could be used for purposes of the examination by evaluating the following?	AT-C 205.40				
	The level of competence of the internal audit function or the individual internal auditors providing direct assistance.	AT-C 205.40				
	The extent to which the internal audit function's organizational status and relevant policies and procedures support the objectivity of the internal audit function or for internal auditors providing direct assistance, the existence of threats to the objectivity of those internal auditors and the related safeguards applied to reduce or eliminate those threats.	AT-C 205.40				
	When using the work of the internal audit function, the application by the internal audit function of a systematic and disciplined approach, including quality control.	AT-C 205.40				

Totals:

0 0 0

(0 of 116 questions answered)

Question #	Question	Standard Reference	Yes	No	N/A	Comments
2.40	When using the work of the internal audit function, did the practitioner perform sufficient procedures on the body of work of the internal audit function as a whole that the practitioner plans to use to determine its adequacy for the purpose of the examination engagement, including re-performing some of the body of work of the internal audit function that the practitioner intends to use in obtaining evidence?	AT-C 205.41				
2.41	If the practitioner used internal auditors to provide direct assistance, did the practitioner obtain written acknowledgment from the responsible party that internal auditors providing direct assistance to the practitioner would be allowed to follow the practitioner's instructions, and that the responsible party would not intervene in the work the internal auditor performed for the practitioner?	AT-C 205.42				
2.42	If internal auditors were used to provide direct assistance to the practitioner, did the practitioner direct, supervise, and review the work of the internal auditors?	AT-C 205.43				
2.43	Did the practitioner make all significant judgments in the examination engagement, including when to use the work of the internal audit function in obtaining evidence?	AT-C 205.44				
2.44	Before the conclusion of the engagement, did the practitioner evaluate whether the use of the work of the internal audit function or the use of internal auditors to provide direct assistance resulted in the practitioner still being sufficiently involved in the examination given the practitioner's sole responsibility for the opinion expressed.	AT-C 205.45				
<b>Evaluating the Results of Procedures</b>						
2.45	Did the practitioner accumulate misstatements identified during the engagement other than those that were clearly trivial?	AT-C 205.46				
2.46	Did the practitioner evaluate the sufficiency and appropriateness of the evidence obtained in the context of the engagement and, if necessary, attempt to obtain further evidence?	AT-C 205.47				
2.47	If the practitioner was unable to obtain necessary further evidence, did the practitioner consider the implications for the practitioner's opinion?	AT-C 205.48				
<b>Additional GAGAS Requirements - Findings</b>						
2.48	If findings were identified, did the auditors plan and perform procedures to develop the criteria, condition, cause, and effect of the findings to the extent that these elements are relevant and necessary to achieve the examination objectives?	GAO 7.19				
2.49	Did the auditors consider internal control deficiencies in their evaluation of identified findings when developing the cause element of the identified findings?	GAO 7.20				
<b>Considering Subsequent Events and Subsequently Discovered Facts</b>						
2.50	Did the practitioner inquire whether the responsible party, and if different, the engaging party, was aware of any events subsequent to the period (or point in time) covered by the assertion-based examination engagement up to the date of the practitioner's report that could have a significant effect on the subject matter or assertion and, if so, apply other appropriate procedures to obtain evidence regarding such events?	AT-C 205.49				
2.51	Did the practitioner respond appropriately to facts that became known to the practitioner after the date of the report that, had they been known to the practitioner at that date, may have caused the practitioner to revise the report?	AT-C 205.50				
<b>Written Representations</b>						

Totals:

0 0 0

(0 of 116 questions answered)

Question #	Question	Standard Reference	Yes	No	N/A	Comments
2.52	Did the practitioner request from the responsible party the following written representations in the form of a letter addressed to the practitioner? Did those representations include:	AT-C 205.51				
	The responsible party's assertion about the subject matter based on the criteria.	AT-C 205.51				
	A statement that all relevant matters are reflected in the measurement or evaluation of the subject matter or assertion.	AT-C 205.51				
	A statement that all known matters contradicting the subject matter or assertion and any communication from regulatory agencies or others affecting the subject matter or assertion have been disclosed to the practitioner, including communications received between the end of the period addressed in the written assertion and the date of the practitioner's report.	AT-C 205.51				
	Acknowledgment of the responsibility for the subject matter and the assertion; selecting the criteria, when applicable; and determining that such criteria are appropriate for the responsible party's purposes.	AT-C 205.51				
	A statement that the responsible party has disclosed to the practitioner all deficiencies in internal control relevant to the engagement of which the responsible party is aware; its knowledge of any actual, suspected, or alleged fraud or noncompliance with laws or regulations affecting the subject matter; and other matters as the practitioner deems appropriate.	AT-C 205.51				
	A statement that any known events subsequent to the period (or point in time) of the subject matter being reported on that would have a material effect on the subject matter or assertion have been disclosed to the practitioner.	AT-C 205.51				
	A statement that it has provided the practitioner with all relevant information and access, as agreed upon in the terms of the engagement.	AT-C 205.51				
	If applicable, a statement that the responsible party believes the effects of uncorrected misstatements are immaterial, individually and in the aggregate, to the subject matter.	AT-C 205.51				
	If applicable, a statement that significant assumptions used in making any material estimates are reasonable.	AT-C 205.51				
2.53	If the engaging party was not the responsible party, and the responsible party refused to provide the representations in AT-C 205.51 in writing, did the practitioner make inquiries of the responsible party about, and seek oral responses to, the matters in AT-C 205.51?	AT-C 205.52				
2.54	If the engaging party is not the responsible party, did the practitioner request the following written representations from the engaging party, in addition to those requested from the responsible party, in the form of a letter addressed to the practitioner?	AT-C 205.53				
	Acknowledgement that the responsible party is responsible for the subject matter and assertion.	AT-C 205.53				
	Acknowledgement of the engaging party's responsibility for selecting the criteria	AT-C 205.53				
	Acknowledge the engaging party's responsibility for determining that such criteria are suitable, will be available to the intended users, and are appropriate for the purpose of the engagement	AT-C 205.53				
	A statement that the engaging party is not aware of any material misstatements in the subject matter or assertion.	AT-C 205.53				

Totals:

0 0 0

(0 of 116 questions answered)

Question #	Question	Standard Reference	Yes	No	N/A	Comments
	A statement that the engaging party has disclosed to the practitioner all known events subsequent to the period (or point in time) of the subject matter being reported on that would have a material effect on the subject matter or assertion.	AT-C 205.53				
	Other matters as the practitioner deems appropriate.	AT-C 205.53				
2.55	If the written representations are directly related to matters that are material to the subject matter, did the practitioner evaluate their reasonableness and consistency with other evidence obtained, including other representations (oral or written) and consider whether those making the representations could be expected to be well informed on the particular matters?	AT-C 205.54				
2.56	Were the written representations dated as of the date of the practitioner's report, and did they address the subject matter and periods covered by the practitioner's opinion?	AT-C 205.55				
<b>Requested Written Representations Not Provided or Not Reliable</b>						
2.57	If the engaging party is the responsible party, and one or more of the requested written representations was not provided, or the practitioner concluded that there was sufficient doubt about the competence, integrity, ethical values, or diligence of those providing the written representations, or the practitioner concluded that the written representations were otherwise not reliable, did the practitioner do the following?	AT-C 205.56				
	Discuss the matter with the appropriate party.	AT-C 205.56				
	Reevaluate the integrity of those from whom the representations were requested or received and evaluate the effect that this may have on the reliability of representations and evidence in general.	AT-C 205.56				
	If any of the matters are not resolved to the practitioner's satisfaction, take appropriate action, including determining the possible effect on the opinion in the practitioner's report	AT-C 205.56				
2.58	If the engaging party is not the responsible party and one or more of the requested representations were not provided in writing by the responsible party, but the practitioner received satisfactory oral responses to the practitioner's inquiries performed in accordance with AT-C 205.52 sufficient to enable the practitioner to conclude that the practitioner had sufficient appropriate evidence to form an opinion about the subject matter, did the practitioner's report contain a separate paragraph that restricted the use of the report to the engaging party?	AT-C 205.57				
2.59	If the engaging party is not the responsible party and one or more of the requested representations were not provided in writing or orally from the responsible party in accordance with AT-C 205.52, a scope limitation exists. Did the practitioner determine the effect on the report, or withdraw from the engagement?	AT-C 205.57				
<b>Description of Criteria</b>						
2.60	Did the practitioner evaluate whether the written description of the subject matter or assertion adequately referred to or described the criteria?	AT-C 205.59				
<b>Forming the Opinion</b>						

Totals:

0	0	0	(0 of 116 questions answered)
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Question #	Question	Standard Reference	Yes	No	N/A	Comments
2.61	Did the practitioner form an opinion about whether the subject matter was in accordance with (or based on) the criteria, in all material respects, or the assertion was fairly stated, in all material respects?	AT-C 205.60				
2.62	Did the practitioner, in forming the opinion, evaluate the practitioner's conclusion regarding the sufficiency and appropriateness of evidence obtained and whether uncorrected misstatements were material, individually or in the aggregate?	AT-C 205.60				
2.63	Did the practitioner evaluate, based on the evidence obtained, whether the presentation of the subject matter or assertion was misleading within the context of the engagement?	AT-C 205.61				
<b>Preparing the Practitioner's Report</b>						
2.64	Did the practitioner provide a written report?	AT-C 205.62				
<b>Content of the Practitioner's Report</b>						
2.65	Did the practitioner's report include the following, unless the practitioner disclaimed the opinion?	AT-C 205.63				
	A title that includes the word independent.	AT-C 205.63				
	An appropriate addressee as required by the circumstances of the engagement.	AT-C 205.63				
	An identification or description of the subject matter or assertion being reported on, including the point in time or period of time to which the measurement or evaluation of the subject matter or assertion relates.	AT-C 205.63				
	An identification of the criteria against which the subject matter was measured or evaluated.	AT-C 205.63				
	A statement that identifies the responsible party and its responsibility for the subject matter in accordance with (or based on) the criteria or for its assertion	AT-C 205.63				
	A statement that the practitioner's responsibility is to express an opinion on the subject matter or assertion, based on the practitioner's examination.	AT-C 205.63				
	<b>Note: Rows 179-183 are not applicable if the practitioner is disclaiming an opinion.</b>					
	A statement that:	AT-C 205.63				
	The practitioner's examination was conducted in accordance with attestation standards established by the AICPA	AT-C 205.63				
	Those standards require that the practitioner plan and perform the examination to obtain reasonable assurance about whether (1) the subject matter is in accordance with (or based on) the criteria, in all material respects or (2) the responsible party's assertion is fairly stated, in all material respects.	AT-C 205.63				
	The practitioner believes the evidence the practitioner obtained is sufficient and appropriate to provide a reasonable basis for the practitioner's opinion.	AT-C 205.63				
	A description of the nature of an assertion-based examination engagement.	AT-C 205.63				
	A statement that the practitioner is required to be independent and to meet the practitioner's other ethical responsibilities in accordance with relevant ethical requirements related to the examination engagement.	AT-C 205.63				

Totals:

0	0	0	(0 of 116 questions answered)
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Question #	Question	Standard Reference	Yes	No	N/A	Comments
	A statement that describes significant inherent limitations, if any, associated with the measurement or evaluation of the subject matter against the criteria.	AT-C 205.63				
	The practitioner’s opinion about whether the subject matter is in accordance with (or based on) the criteria, in all material respects or the responsible party’s assertion is fairly stated, in all material respects.	AT-C 205.63				
	The manual or printed signature of the practitioner’s firm.	AT-C 205.63				
	The city and state where the practitioner’s report is issued.	AT-C 205.63				
	The date of the report. (The report should be dated no earlier than the date on which the practitioner has obtained sufficient appropriate evidence on which to base the practitioner’s opinion, including evidence that the attestation documentation has been reviewed, if applicable, the written presentation of the subject matter has been prepared, and the responsible party has provided a written assertion or, in the circumstances described in AT-C 205.A72, an oral assertion.)	AT-C 205.63				
<b>Restricted Use Paragraph</b>						
2.66	If any of the following circumstances were present, did the practitioner’s report include an alert, in a separate paragraph, that restricts the use of the report?	AT-C 205.64				
	The practitioner determined that the criteria used to evaluate the subject matter were appropriate only for a limited number of parties who either participated in their establishment or can be presumed to have an adequate understanding of the criteria.	AT-C 205.64				
	The criteria used to evaluate the subject matter were available only to specified parties.	AT-C 205.64				
	The engaging party was not the responsible party, and the responsible party did not provide the written representations required by paragraph AT-C 205.50, but did provide oral responses to the practitioner’s inquiries about the matters in paragraph AT-C 205.50. In this case, the use of the practitioner’s report should be restricted to the engaging party.	AT-C 205.64				
2.67	Did the alert state that the practitioner’s report is intended solely for the information and use of the specified parties, identify the specified parties for whom use is intended, and state that the report is not intended to be, and should not be, used by anyone other than the specified parties?	AT-C 205.65				
2.68	If the engagement is also performed in accordance with <i>Government Auditing Standards</i> , did the alert that restricts the use of the practitioner’s report include the following information, rather than the information required by AT-C 205.65:	AT-C 205.66				
	A description of the purpose of the report	AT-C 205.66				
	A statement that the report is not suitable for any other purpose.	AT-C 205.66				
2.69	Did the practitioner report on a written assertion or directly on the subject matter? If the opinion is modified because of a material misstatement, the practitioner should report directly on the subject matter, even when the assertion acknowledges the misstatement.	AT-C 205.67				

Totals:

0 0 0

(0 of 116 questions answered)

Question #	Question	Standard Reference	Yes	No	N/A	Comments
2.70	If the practitioner is reporting on the assertion, the assertion should be bound with or accompany the practitioner's report, or the assertion should be clearly stated in the report.	AT-C 205.68				
<b>Additional GAGAS Requirements - Reporting the Auditors' Compliance with GAGAS</b>						
2.71	Does the examination report include an appropriate GAGAS compliance statement?	GAO 2.17, 7.39				
2.72	If a modified GAGAS compliance statement was included in the examination report, does the report disclose the following?	GAO 2.18, 7.39				
	The applicable requirement(s) not followed.	GAO 2.18, 7.39				
	The reasons for not following the requirement(s).	GAO 2.18, 7.39				
	How not following the requirement(s) affected, or could have affected, the engagement and the assurance provided.	GAO 2.18, 7.39				
2.73	If the auditors did not comply with applicable requirements, did they:	GAO 2.19, 7.39				
	Assess the significance of the noncompliance to the engagement objectives?	GAO 2.19, 7.39				
	Document the assessment, along with their reasons for not following the requirement(s)?	GAO 2.19, 7.39				
	Determine the type of GAGAS compliance statement?	GAO 2.19, 7.39				
2.74	If the auditors reported separately (including separate reports bound in the same document) on deficiencies in internal control; noncompliance with provisions of laws, regulations, contracts, and grant agreements; or instances of fraud, did the auditors state in the examination report that they issued those additional reports, include a reference to the separate reports, and also state that the reports are an integral part of a GAGAS examination engagement?	GAO 7.40				
<b>Additional GAGAS Requirements - Reporting Deficiencies in Internal Control</b>						
2.75	Does the examination report include all internal control deficiencies, even those communicated early, that are considered to be significant deficiencies or material weaknesses that the auditors identified based on the engagement work performed?	GAO 7.42				
<b>Additional GAGAS Requirements - Reporting on Noncompliance with Provisions of Laws, Regulations, Contracts, and Grant Agreements or Instances of Fraud</b>						
2.76	Did the auditors include in their examination report the relevant information about noncompliance and fraud when they, based on sufficient, appropriate evidence, identified or suspected:	GAO 7.44				
	Noncompliance with provisions of laws, regulations, contracts, or grant agreements that had a material effect on the subject matter or an assertion about the subject matter?	GAO 7.44				
	Fraud that was material, either quantitatively or qualitatively, to the subject matter or an assertion about the subject matter that was significant to the engagement objectives?	GAO 7.44				
2.77	If the auditors identified or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements or instances of fraud that had an effect on the subject matter or an assertion about the subject matter that were less than material but warranted the attention of those charged with governance, did the auditors communicate in writing to audited entity officials?	GAO 7.45				
<b>Additional GAGAS Requirements - Presenting Findings in the Report</b>						

Totals:

0 0 0

(0 of 116 questions answered)

Question #	Question	Standard Reference	Yes	No	N/A	Comments
2.78	In presenting findings, did the auditors develop the elements of the findings to the extent necessary to assist management or oversight officials of the audited entity in understanding the need for taking corrective action?	GAO 7.48				
2.79	In presenting findings, did the auditors:	GAO 7.49				
	Place findings in perspective by describing the nature and extent of the issues being reported and the extent of the work performed that resulted in the findings?	GAO 7.49				
	As appropriate, relate the instances identified to the population or the number of cases examined and quantify the results in terms of dollar value or other measures?	GAO 7.49				
	Limit conclusions appropriately if the results could not be projected?	GAO 7.49				
<b>Additional GAGAS Requirements - Reporting Findings Directly to Parties Outside the Audited Entity</b>						
2.80	Did the auditors report identified or suspected noncompliance with provisions of laws, regulations, contracts, and grant agreements and instances of fraud directly to parties outside the audited entity in the following two circumstances, even if they had resigned or been dismissed from the engagement prior to its completion?	GAO 7.51-7.52				
	If the audited entity management failed to satisfy legal or regulatory requirements to report such information to external parties specified in law or regulation, did the auditors first communicate the failure to report such information to those charged with governance? If the audited entity still did not report this information to the specified external parties as soon as practicable after the auditors' communication with those charged with governance, did the auditors report the information directly to the specified external parties.	GAO 7.51-7.52				
	If the audited entity management failed to take timely and appropriate steps to respond to fraud or noncompliance with provisions of laws, regulations, contracts, and grant agreements that (1) was likely to have a material effect on the subject matter and (2) involved funding received directly or indirectly from a government agency, did the auditors first report management's failure to take timely and appropriate steps to those charged with governance? If the audited entity still did not take timely and appropriate steps as soon as practicable after the auditors' communication with those charged with governance, did the auditors report the audited entity's failure to take timely and appropriate steps directly to the funding agency?	GAO 7.51-7.52				
2.81	Did the auditor obtain sufficient, appropriate evidence, such as confirmation from outside parties, to corroborate representations by management of the audited entity that it has reported engagement findings in accordance with laws, regulations, or funding agreements?	GAO 7.53				
2.82	If auditors were unable to obtain sufficient, appropriate evidence to corroborate representations by audited entity management that it had reported engagement findings in accordance with laws, regulations, or funding agreements, did the auditors report such information directly to specified external parties and/or the funding agency?	GAO 7.53				

**Additional GAGAS Requirements - Reporting Views of Responsible Officials**

Totals:

0 0 0

(0 of 116 questions answered)

Question #	Question	Standard Reference	Yes	No	N/A	Comments
2.83	Did the auditors obtain and report the views of responsible officials of the audited entity concerning the findings, conclusions, and recommendations in the examination report, as well as any planned corrective actions?	GAO 7.55				
2.84	If the auditors received written comments from the responsible officials, did the auditors include in their report a copy of the officials' written comments, or a summary of the comments received?	GAO 7.56				
2.85	If the responsible officials provided oral comments only, did the auditors prepare a summary of the oral comments, provide a copy of the summary to the responsible officials to verify that the comments were accurately represented, and include the summary in their report?	GAO 7.56				
2.86	If the audited entity's comments were inconsistent or in conflict with findings, conclusions, or recommendations in the draft report, did the auditor:	GAO 7.57				
	Evaluate the validity of the audited entity's comments?	GAO 7.57				
	Explain in the report their reasons for disagreement, if the auditors disagreed with the comments?	GAO 7.57				
	Modify the report, as necessary, if the auditors found the comments valid and supported with sufficient, appropriate evidence?	GAO 7.57				
2.87	If the audited entity refused to provide comments or was unable to provide comments within a reasonable period of time, and the auditors issued the report without receiving the comments from the audited entity, did the auditors indicate in the report that the audited entity did not provide comments?	GAO 7.58				
<b>Additional GAGAS Reporting Requirements - Reporting Confidential or Sensitive Information</b>						
2.88	If certain information is prohibited from public disclosure or is excluded from the report because of its confidential or sensitive nature, did the auditors disclose in the report that certain information was omitted and the circumstances that made the omission necessary?	GAO 7.61				
2.89	If circumstances called for omission of certain information, did the auditors evaluate whether the omission could distort the examination engagement results or conceal improper or illegal practices, and revise the report language as necessary to avoid report users drawing inappropriate conclusions from the information presented?	GAO 7.62				
2.90	If the audit organization is subject to public records laws, did the auditors determine whether public records laws could affect the availability of classified or limited use reports and determine whether other means of communicating with management and those charged with governance would be more appropriate?	GAO 7.63				
<b>Reference to the Practitioner's Specialist</b>						
2.91	Did the practitioner refrain from referring to the work of a practitioner's specialist in the practitioner's report containing an unmodified opinion?	AT-C 205.69				
<b>Modified Opinions</b>						
2.92	If the practitioner modified the opinion, did the practitioner include a separate paragraph in the practitioner's report that provided a description of the matter(s) giving rise to the modification?	AT-C 205.71				

Totals:

0 0 0

(0 of 116 questions answered)

Question #	Question	Standard Reference	Yes	No	N/A	Comments
2.93	If the practitioner qualified the opinion due to a material misstatement of the subject matter, did the practitioner state that, in the practitioner’s opinion, except for the effects of the matter(s) giving rise to the modification, the subject matter is presented in accordance with (or based on) the criteria, in all material respects?	AT-C 205.73				
2.94	If the modification arose from an inability to obtain sufficient appropriate evidence, the practitioner should use the corresponding phrase "except for the possible effects of the matter(s) ..." for the modified opinion.	AT-C 205.73				
2.95	If the practitioner expressed an adverse opinion, did the practitioner state that, in the practitioner’s opinion, because of the significance of the matter(s) giving rise to the modification, the subject matter is not presented in accordance with (or based on) the criteria, in all material respects?	AT-C 205.75				
2.96	If the practitioner has concluded that conditions exist that, individually or in combination, result in one or more material misstatements based on the criteria, did the practitioner modify the opinion and express a qualified or adverse opinion directly on the subject matter, not on the assertion, even when the assertion acknowledges the misstatement?	AT-C 205.76				
2.97	If the practitioner disclaimed the opinion due to an inability to obtain sufficient appropriate evidence, did the practitioner’s report state that because of the significance of the matter(s) giving rise to the modification, the practitioner has not been able to obtain sufficient appropriate evidence to provide a basis for an examination opinion and accordingly, the practitioner does not express an opinion on the subject matter?	AT-C 205.78				
<b>Description of the Practitioner’s Responsibility When the Practitioner Expresses a Qualified or an Adverse Opinion</b>						
2.98	If the practitioner expressed a qualified or an adverse opinion, did the practitioner amend the description of the practitioner’s responsibility to state that the practitioner believes that the evidence the practitioner has obtained is sufficient and appropriate to provide a basis for the practitioner’s modified opinion?	AT-C 205.79				
<b>Description of the Practitioner’s Responsibility When the Practitioner Disclaims an Opinion</b>						
2.99	If the practitioner disclaimed the opinion due to an inability to obtain sufficient appropriate evidence, did the practitioner amend the practitioner’s report to state that the practitioner was engaged to examine the subject matter or assertion, and amend the description of the practitioner’s responsibility and the description of an examination to state only the following: “Our responsibility is to express an opinion on the subject matter or assertion based on conducting the examination in accordance with attestation standards established by the AICPA. Because of the limitation on the scope of our examination discussed in the preceding paragraph, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on whether the subject matter is in accordance with (or based on) the criteria, in all material respects.”?	AT-C 205.80				

Totals:

0 0 0

(0 of 116 questions answered)

Question #	Question	Standard Reference	Yes	No	N/A	Comments
2.100	If the practitioner expressed a modified opinion because of a scope limitation but was also aware of a matter(s) that caused the subject matter to be materially misstated, did the practitioner include in the practitioner's report a clear description of both the scope limitation and the matter(s) that causes the subject matter to be materially misstated?	AT-C 205.81				
2.101	Is the practitioner's opinion on the subject matter or assertion clearly separated from any paragraphs emphasizing matters related to the subject matter or any other reporting responsibilities?	AT-C 205.82				
2.102	When the opinion is modified, and reference to an external specialist was made, did the practitioner indicate in the practitioner's report that such reference does not reduce the practitioner's responsibility for that opinion?	AT-C 805.83				
<b>Responsible Party Refuses to Provide a Written Assertion</b>						
2.103	If the engaging party is the responsible party and refused to provide the practitioner with a written assertion as required by AT-C 205.10, and the practitioner was unable to withdraw from the engagement (due to law or regulation) did the practitioner disclaim an opinion?	AT-C 205.84-.85				
2.104	If the engaging party is not the responsible party and the responsible party refused to provide the practitioner with a written assertion, did the practitioner report on the subject matter, and disclose in the practitioner's report the responsible party's refusal to provide a written assertion and restrict the use of the practitioner's report to the engaging party?	AT-C 205.86				
<b>Additional GAGAS Requirements - Distributing Reports</b>						
2.105	If the report distribution was limited, did the auditors document the limitation on report distribution?	GAO 7.69				
2.106	Did the auditors distribute the report to those charged with governance, to the appropriate audited entity officials, and to the appropriate oversight bodies or organizations requiring or arranging for the examination engagement?	GAO 7.69a				
2.107	As appropriate, did the auditors distribute copies of the report to other officials who have legal oversight authority or who may be responsible for acting on engagement findings and recommendations, and to others authorized to receive such reports?	GAO 7.69a				
<b>Communication Responsibilities</b>						
2.108	Did the practitioner communicate to the responsible party (or to engaging party when not the responsible party) known and suspected fraud and noncompliance with laws or regulations, uncorrected misstatements, and, when relevant to the subject matter, internal control deficiencies identified during the engagement?	AT-C 205.87				
<b>Additional GAGAS Requirements - Auditor Communication</b>						
2.109	If there was a law or regulation requiring an examination engagement to specifically identify the entities to be examined, did the auditors communicate pertinent information, that in the auditors' professional judgment needed to be communicated, to the following:	GAO 7.09				
	Individuals contracting for or requesting the examination engagement?	GAO 7.09				
	Those legislative committees, if any, that have ongoing oversight responsibilities for the audited entity?	GAO 7.09				

Totals:

0 0 0 (0 of 116 questions answered)

Question #	Question	Standard Reference	Yes	No	N/A	Comments
2.110	If the identity of those charged with governance is not clearly evident, did the auditors document the process followed and conclusions reached in identifying the appropriate individuals to receive the required auditor communications?	GAO 7.10				
<b>Documentation</b>						
2.111	Did the practitioner prepare engagement documentation that is sufficient to determine the following?	AT-C 205.89				
	The nature, timing, and extent of the procedures performed to comply with relevant AT-C sections and applicable legal and regulatory requirements, including:	AT-C 205.89				
	The identifying characteristics of the specific items or matters tested.	AT-C 205.89				
	Who performed the engagement work and the date such work was completed.	AT-C 205.89				
	The discussions with the responsible party or others about findings or issues that, in the practitioner's professional judgment, are significant, including the nature of the significant findings or issues discussed, and when and with whom the discussions took place.	AT-C 205.89				
	When the engaging party is the responsible party and the responsible party will not provide one or more of the requested written representations or the practitioner concludes that there is sufficient doubt about the competence, integrity, ethical values, or diligence of those providing the written representations; or that the written representations are otherwise not reliable, the matters in AT-C 205.55.	AT-C 205.89				
	When the engaging party is not the responsible party and the responsible party will not provide the written representations regarding the matters in AT-C 205.50, the oral responses from the responsible party to the practitioner's inquiries regarding the matters in AT-C 205.50, in accordance with AT-C 205.51.	AT-C 205.89				
	Who reviewed the engagement work performed and the date and extent of such review.	AT-C 205.89				
	If the practitioner identified information that is inconsistent with the practitioner's final opinion regarding a significant matter, did the practitioner document how the practitioner addressed the inconsistency?	AT-C 205.89				
	The results of the procedures performed and the evidence obtained.	AT-C 205.89				
2.112	If the practitioner performed new or additional procedures or drew new conclusions after the date of the practitioner's report, did the practitioner to document the following?	AT-C 205.90				
	The circumstances encountered.	AT-C 205.90				
	The new or additional procedures performed, evidence obtained, and conclusions reached and their effect on the report.	AT-C 205.90				
	When and by whom the resulting changes to the documentation were made and reviewed.	AT-C 205.90				
<b>Additional GAGAS Requirements - Examination Engagement Documentation</b>						
2.113	Did the auditors document, before the date of the examination report, supervisory review of the evidence that supports findings, conclusions, and recommendations contained in the examination report?	GAO 7.33a				

Totals:

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Question #	Question	Standard Reference	Yes	No	N/A	Comments
2.114	If the examination engagement does not comply with applicable GAGAS requirements because of law, regulation, scope limitations, restrictions on access to records, or other issues affecting the examination engagement, did the auditors document any departures from GAGAS requirements and the effect on the examination engagement and on the auditors' conclusions?	GAO 7.33b				
2.115	Is the attest documentation prepared in sufficient detail to enable an experienced auditor having no previous connection to the examination engagement to understand from the documentation the nature, timing, extent, and results of procedures performed and the evidence obtained and its source and the conclusions reached, including evidence that supports the auditors' significant judgments and conclusions?	GAO 7.34				

				Totals:			
				0	0	0	(0 of 68 questions answered)
Question #	Question	Standard Reference	Yes	No	N/A	Comments	
<b>3   Review Engagements</b>							
<b>Conduct of a Review Engagement</b>							
3.1	Did the practitioner, in performing a review engagement, comply with AT-C 210, AT-C 105A, and any subject-matter AT-C section that is relevant to the engagement?	AT-C 210.05					
3.2	Did the practitioner consider whether the nature of review procedures would enable the practitioner to obtain sufficient appropriate review evidence to obtain limited assurance?	AT-C 210.06					
<b>Agreeing on the Terms of the Engagement</b>							
3.3	Did the practitioner agree upon the terms of the engagement with the engaging party?	AT-C 210.08					
3.4	Were the agreed-upon terms of the engagement specified in sufficient detail in an engagement letter or other suitable form of written agreement, and did it include the following?	AT-C 210.08-.09					
	The objective and scope of the engagement.	AT-C 210.09					
	The responsibilities of the practitioner.	AT-C 210.09					
	A statement that the engagement will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants.	AT-C 210.09					
	The responsibilities of the responsible party and the responsibilities of the engaging party, if different.	AT-C 210.09					
	A statement that the procedures performed in a review vary in nature and timing from, and are substantially less in extent than, an examination and, consequently, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an examination been performed	AT-C 210.09					
	Identification of the criteria for the measurement, evaluation, or disclosure of the subject matter.	AT-C 210.09					
	An acknowledgement that the engaging party agrees to provide the practitioner with a representation letter at the conclusion of the engagement.	AT-C 210.09					
3.5	If the engagement was a recurring engagement, did the practitioner assess whether circumstances required revision to the terms of the preceding engagement, and if not, remind the engaging party of, and document, the terms of the current engagement?	AT-C 210.10					
<b>Requesting a Written Assertion</b>							
3.6	Did the practitioner request from the responsible party a written assertion about the measurement or evaluation of the subject matter against the criteria?	AT-C 210.11					
<b>Planning and Performing the Engagement</b>							

Totals:

0 0 0

(0 of 68 questions answered)

Question #	Question	Standard Reference	Yes	No	N/A	Comments
3.7	Did the practitioner set the scope, timing, and direction of the engagement and determine the nature, timing, and extent of the planned procedures required to be carried out in order to achieve the objectives of the engagement?	AT-C 210.12				
3.8	Did the practitioner obtain an understanding of the subject matter and other engagement circumstances sufficient to do the following:	AT-C 210.13				
	Enable the practitioner to identify areas in which a material misstatement is likely to arise	AT-C 210.13				
	Provide a basis for designing and performing procedures to address the areas identified in the prior requirement and to obtain limited assurance about whether any material modifications should be made to the subject matter in order for it to be in accordance with (or based on) the criteria, or the assertion, in order for it to be fairly stated	AT-C 210.13				
3.9	Did the practitioner to make inquiries of the responsible party regarding:	AT-C 210.14				
	Whether the responsible party has an internal audit function. If the responsible party has an internal audit function, the practitioner should make further inquiries to obtain an understanding of the activities and main findings of the internal audit function with respect to the subject matter.	AT-C 210.14				
	Whether the responsible party has used any specialists in the preparation of the subject matter.	AT-C 210.14				
<b>Materiality in Planning and Performing the Engagement</b>						
3.10	Did the practitioner consider materiality when:	AT-C 210.15				
	Planning and performing the review engagement, including when determining the nature, timing, and extent of procedures?	AT-C 210.15				
	Evaluating whether the practitioner was aware of any material modifications that should be made to the subject matter in order for it to be in accordance with (or based on) the criteria or the assertion in order for it to be fairly stated?	AT-C 210.15				
3.11	Did the practitioner reconsider materiality for the subject matter if the practitioner became aware of information during the engagement that would have caused the practitioner to have initially determined a different materiality?	AT-C 210.16				
<b>Procedures to Be Performed</b>						
3.12	To obtain limited assurance, did the practitioner obtain sufficient appropriate review evidence to reduce attestation risk to a level that is acceptable in the circumstances of the engagement as a basis for expressing a conclusion about whether the practitioner is aware of any material modifications that should be made to the subject matter in order for it to be in accordance with (or based on) the criteria, or the assertion, in order for it to be fairly stated?	AT-C 210.17				
3.13	Did the practitioner design and perform procedures to obtain limited assurance to support the practitioner's conclusion? In doing so, the practitioner should identify and place increased focus on those areas in which the practitioner believes there are increased risks that the subject matter may be materially misstated. (Inquiry procedures alone are not sufficient to obtain limited assurance.)	AT-C 210.18				
<b>Analytical Procedures</b>						

Totals:

0 0 0

(0 of 68 questions answered)

Question #	Question	Standard Reference	Yes	No	N/A	Comments
3.14	Did the practitioner, when designing and performing analytical procedures, perform the following?	AT-C 210.19				
	Determine the suitability of particular analytical procedures for the subject matter, taking into account the practitioner's awareness of risks.	AT-C 210.19				
	Evaluate the reliability of data from which the practitioner's expectation is developed, taking into account the source, comparability, nature, and relevance of information available.	AT-C 210.19				
	Develop an expectation with respect to recorded amounts or ratios.	AT-C 210.19				
3.15	If analytical procedures identified fluctuations or relationships that were inconsistent with other relevant information or that differed significantly from expected amounts or ratios, did the practitioner inquire of the responsible party about such differences and consider the responses to these inquiries to determine whether other procedures were necessary in the circumstances?	AT-C 210.20				
<b>Inquiries and Other Review Procedures</b>						
3.16	Did the practitioner inquire of the responsible party about the following?	AT-C 210.21				
	Whether the subject matter has been prepared in accordance with (or based on) the criteria.	AT-C 210.21				
	The practices used by the responsible party to measure, recognize, and record the subject matter.	AT-C 210.21				
	Questions that have arisen in the course of applying the review procedures.	AT-C 210.21				
	Communications from regulatory agencies or others, if relevant.	AT-C 210.21				
3.17	Did the practitioner consider the reasonableness and consistency of the responsible party's responses in light of the results of other review procedures and the practitioner's knowledge of the subject matter, criteria, and responsible party?	AT-C 210.22				
<b>Fraud, Laws, and Regulations</b>						
3.18	Did the practitioner make inquiries of appropriate parties to determine whether they had knowledge of any actual, suspected, or alleged fraud or noncompliance with laws or regulations affecting the subject matter?	AT-C 210.23				
3.19	Did the practitioner respond appropriately to fraud or suspected fraud and noncompliance or suspected noncompliance with laws or regulations affecting the subject matter that was identified during the engagement?	AT-C 210.24				
<b>Additional GAGAS Requirements – Noncompliance with Provisions of Laws, Regulations, Contracts, and Grant Agreements</b>						
3.20	Did the auditors extend the AICPA requirements concerning consideration of noncompliance with laws and regulations to include consideration of noncompliance with provisions of contracts and grant agreements?	GAO 7.73				
<b>Incorrect, Incomplete, or Otherwise Unsatisfactory Information</b>						
3.21	During the performance of review procedures, if the practitioner became aware that information coming to the practitioner's attention was incorrect, incomplete, or otherwise unsatisfactory, did the practitioner request that the responsible party consider the effect of these matters on the subject matter and communicate the results of its consideration to the practitioner?	AT-C 210.25				

Totals: 0 0 0 (0 of 68 questions answered)

Question #	Question	Standard Reference	Yes	No	N/A	Comments
3.22	If the practitioner believed the subject matter could be materially misstated, did the practitioner perform additional procedures sufficient to obtain limited assurance about whether any material modifications should be made to the subject matter in order for it to be in accordance with (or based on) the criteria or the assertion in order for it to be fairly stated?	AT-C 210.26				
<b>Evaluating the Results of Review Procedures</b>						
3.23	Did the practitioner accumulate misstatements identified during the engagement, other than those that were clearly trivial?	AT-C 210.28				
3.24	Did the practitioner evaluate whether sufficient appropriate review evidence has been obtained from the procedures performed and, if not, perform additional procedures based on the practitioner's professional judgment that are necessary in the circumstances to be able to form a conclusion on the subject matter?	AT-C 210.29				
3.25	Did the practitioner, if unable to obtain sufficient appropriate review evidence, note that a scope limitation exists, and apply the guidance in AT-C 210.60?	AT-C 210.30				
<b>Considering Subsequent Events and Subsequently Discovered Facts</b>						
3.26	Did the practitioner inquire whether the responsible party, and if different, the engaging party, was aware of any events subsequent to the period (or point in time) covered by the review engagement up to the date of the practitioner's report that could have a significant effect on the subject matter or assertion?	AT-C 210.31				
3.27	Did the practitioner to respond appropriately to facts that became known to the practitioner after the date of the report that, had they been known to the practitioner at that date, may have caused the practitioner to revise the report?	AT-C 210.32				
<b>Written Representations</b>						
3.28	Did the practitioner request from the responsible party the following written representations in the form of a letter addressed to the practitioner?	AT-C 210.33				
	The responsible party's assertion about the subject matter based on the criteria.	AT-C 210.33				
	A statement that all relevant matters are reflected in the measurement or evaluation of the subject matter or assertion.	AT-C 210.33				
	A statement that all known matters contradicting the subject matter or assertion and any communication from regulatory agencies or others affecting the subject matter or assertion have been disclosed to the practitioner, including communications received between the end of the period addressed in the written assertion and the date of the practitioner's report.	AT-C 210.33				
	Acknowledgement of responsibility for the subject matter and the assertion; selecting the criteria, when applicable; and determining that such criteria are suitable, will be available to the intended users, and appropriate for the purpose of the engagement	AT-C 210.33				
	A statement that the responsible party has disclosed to the practitioner all deficiencies in internal control relevant to the engagement of which the responsible party is aware; its knowledge of any actual, suspected, or alleged fraud or noncompliance with laws or regulations affecting the subject matter; and other matters as the practitioner deems appropriate.	AT-C 210.33				

Totals:

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(0 of 68 questions answered)

Question #	Question	Standard Reference	Yes	No	N/A	Comments
	A statement that any known events subsequent to the period (or point in time) of the subject matter being reported on that would have a material effect on the subject matter or assertion have been disclosed to the practitioner.	AT-C 210.33				
	A statement that it has provided the practitioner with all relevant information and access, as agreed upon in the terms of the engagement.	AT-C 210.33				
	If applicable, a statement that the responsible party believes the effects of uncorrected misstatements are immaterial, individually and in the aggregate, to the subject matter.	AT-C 210.33				
	If applicable, a statement that significant assumptions used in making any material estimates are reasonable.	AT-C 210.33				
3.29	If the engaging party was not the responsible party, and the responsible party refused to provide the representations in AT-C 210.33 in writing, did the practitioner make inquiries of the responsible party about, and seek oral responses to, the matters in AT-C 210.33?	AT-C 210.34				
3.30	If the engaging party was not the responsible party, did the practitioner request the following written representations from the engaging party, in addition to those requested from the responsible party, in the form of a letter addressed to the practitioner?	AT-C 210.35				
	Acknowledgement that the responsible party is responsible for the subject matter and assertion.	AT-C 210.35				
	Acknowledgement of the engaging party's responsibility for selecting the criteria.	AT-C 210.35				
	Acknowledgement of the engaging party's responsibility for determining that such criteria are suitable, will be available to the intended users, and are appropriate for the purposes of the engagement	AT-C 210.35				
	A statement that the engaging party is not aware of any material misstatements in the subject matter or assertion.	AT-C 210.35				
	A statement that the engaging party has disclosed to the practitioner all known events subsequent to the period (or point in time) of the subject matter being reported on that would have a material effect on the subject matter or assertion.	AT-C 210.35				
	Other matters as the practitioner deems appropriate.	AT-C 210.35				
3.31	If written representations were directly related to matters that were material to the subject matter, did the practitioner evaluate their reasonableness and consistency with other evidence obtained, including other representations (oral or written) and consider whether those making the representations could be expected to be well informed on the particular matters?	AT-C 210.36				
3.32	Were the written representations dated as of the date of the practitioner's report, and did they address the subject matter and periods covered by the practitioner's conclusion?	AT-C 210.37				
<b>Requested Written Representations Not Provided or Not Reliable</b>						
3.33	If the engaging party is the responsible party, and one or more of the requested written representations were not provided, or the practitioner concluded that there was sufficient doubt about the competence, integrity, ethical values, or diligence of those providing the written representations, or the practitioner concluded that the written representations were otherwise not reliable, did the practitioner do the following?	AT-C 210.38				

Totals:

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(0 of 68 questions answered)

Question #	Question	Standard Reference	Yes	No	N/A	Comments
	Discuss the matter with the appropriate party.	AT-C 210.38				
	Reevaluate the integrity of those from whom the representations were requested or received and evaluate the effect that this may have on the reliability of representations and review evidence in general.	AT-C 210.38				
	If any of the matters are not resolved to the practitioner's satisfaction, take appropriate action, including determining the possible effect on the practitioner's conclusion.	AT-C 210.38				
3.34	If the engaging party is not the responsible party and one or more of the requested representations were not provided in writing by the responsible party, but the practitioner received satisfactory oral responses to the practitioner's inquiries performed in accordance with AT-C 210.34 sufficient to enable the practitioner to conclude that the practitioner had sufficient appropriate review evidence to form a conclusion about the subject matter, did the practitioner's report contain a separate paragraph that restricted the use of the report to the engaging party?	AT-C 210.39				
3.35	If the engaging party is not the responsible party and one or more of the requested representations were not provided in writing or orally from the responsible party in accordance with AT-C 210.34, a scope limitation exists, and the guidance in AT-C 210.60 applies.	AT-C 210.39				
<b>Description of Criteria</b>						
3.36	Did the practitioner evaluate whether the written description of the subject matter or assertion adequately referred to or described the criteria?	AT-C 210.41				
<b>Forming the Conclusion</b>						
3.37	Did the practitioner form a conclusion about whether the practitioner was aware of any material modifications that should be made to the subject matter in order for it to be in accordance with (or based on) the criteria or to the responsible party's assertion in order for it to be fairly stated?	AT-C 210.42				
3.38	In forming the conclusion, did the practitioner evaluate the practitioner's conclusion regarding the sufficiency and appropriateness of the review evidence obtained and whether uncorrected misstatements were material, individually or in the aggregate?	AT-C 210.42				
3.39	Did the practitioner evaluate, based on the review evidence obtained, whether the presentation of the subject matter or assertion was misleading within the context of the engagement?	AT-C 210.43				
<b>Preparing the Practitioner's Report</b>						
3.40	Was the practitioner's report in writing?	AT-C 210.44				
<b>Content of the Practitioner's Report</b>						
3.41	Does the practitioner's report include the following?	AT-C 210.45				
	A title that includes the word <i>independent</i> .	AT-C 210.45				
	An appropriate addressee as required by the circumstances of the engagement.	AT-C 210.45				
	An identification or description of the subject matter or assertion being reported on, including the point in time or period of time to which the measurement or evaluation of the subject matter or assertion relates.	AT-C 210.45				

Totals:

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(0 of 68 questions answered)

Question #	Question	Standard Reference	Yes	No	N/A	Comments
	An identification of the criteria against which the subject matter was measured or evaluated.	AT-C 210.45				
	A statement that identifies the responsible party and its responsibility for the subject matter in accordance with (or based on) the criteria or for its assertion, and the practitioner's responsibility to express a conclusion on the subject matter or assertion, based on the practitioner's review.	AT-C 210.45				
	A statement that:	AT-C 210.45				
	The practitioner's review was conducted in accordance with attestation standards established by the AICPA	AT-C 210.45				
	Those standards require that the practitioner plan and perform the review to obtain limited assurance about whether any material modifications should be made to: (1) the subject matter in order for it to be in accordance with (or based on) the criteria (or equivalent language regarding the subject matter and criteria, such as the language used in the examples in AT-C 210.A74) or (2) the responsible party's assertion in order for it to be fairly stated.	AT-C 210.45				
	the practitioner believes the review evidence the practitioner obtained is sufficient and appropriate to provide a reasonable basis for the practitioner's conclusion.	AT-C 210.45				
	A statement that the procedures performed in a review vary in nature and timing from, and are substantially less in extent than, an examination, the objective of which is to obtain reasonable assurance about whether the subject matter is in accordance with (or based on) the criteria, in all material respects, or the responsible party's assertion is fairly stated, in all material respects, in order to express an opinion. Because of the limited nature of the engagement, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an examination been performed.	AT-C 210.45				
	A statement that the practitioner is required to be independent and to meet the practitioner's other ethical responsibilities in accordance with relevant ethical requirements relating to the review engagement.	AT-C 210.45				
	A statement that describes significant inherent limitations, if any, associated with the measurement or evaluation of the subject matter against the criteria.	AT-C 210.45				
	A description of the work performed as a basis for the practitioner's conclusion.	AT-C 210.45				
	The practitioner's conclusion about whether, based on the review, the practitioner is aware of any material modifications that should be made to the subject matter in order for it be in accordance with (or based on) the criteria or the responsible party's assertion in order for it to be fairly stated.	AT-C 210.45				
	The manual or printed signature of the practitioner's firm.	AT-C 210.45				
	The city and state where the practitioner's report is issued.	AT-C 210.45				

Totals:

0 0 0

(0 of 68 questions answered)

Question #	Question	Standard Reference	Yes	No	N/A	Comments
	The date of the report. The report should be dated no earlier than the date on which the practitioner has obtained sufficient appropriate review evidence on which to base the practitioner's conclusion, including evidence that the attestation documentation has been reviewed; if applicable, the written presentation of the subject matter has been prepared; and the responsible party has provided a written assertion or, in the circumstances described in AT-C 210.A55, an oral assertion.	AT-C 210.45				
<b>Restricted Use Paragraph</b>						
3.42	If any of the following circumstances were present, did the practitioner's report include an alert, in a separate paragraph, that restricts the use of the report?	AT-C 210.46				
	The practitioner determines that the criteria used to evaluate the subject matter are appropriate only for a limited number of parties who either participated in their establishment or can be presumed to have an adequate understanding of the criteria.	AT-C 210.46				
	The criteria used to evaluate the subject matter are available only to specified parties.	AT-C 210.46				
	The engaging party is not the responsible party, and the responsible party does not provide the written representations required by AT-C 210.33, but does provide oral responses to the practitioner's inquiries about the matters in AT-C 210.33, as provided for in AT-C 210.34 and .39a. In this case, the use of the practitioner's report should be restricted to the engaging party.	AT-C 210.46				
3.43	If the report was restricted, did the alert state that the practitioner's report is intended solely for the information and use of the specified parties, Identify the specified parties for whom use is intended, and state that the report is not intended to be, and should not be, used by anyone other than the specified parties?	AT-C 210.47				
3.44	If the engagement was also performed in accordance with <i>Government Auditing Standards</i> , did the alert that restricts the use of the practitioner's report include a description of the purpose of the report and a statement that the report is not suitable for any other purpose, rather than the information required by AT-C 210.47?	AT-C 210.48				
<b>Reporting on Subject Matter or a Written Assertion</b>						
3.45	Did the practitioner report on a written assertion or directly on the subject matter?	AT-C 210.49				
3.46	Did the practitioner ensure, if the practitioner is reporting on an assertion, that the assertion is bound with or accompanies the practitioner's report, or that the assertion is clearly stated in the report?	AT-C 210.50				
<b>Reference to the Practitioner's Specialist</b>						
3.47	Did the practitioner refrain from referring to the work of a specialist in a report containing an unmodified conclusion?	AT-C 210.51				
<b>Additional GAGAS Requirements - Reporting Auditors' Compliance with GAGAS</b>						
3.48	Does the review report include an appropriate GAGAS compliance statement?	GAO 2.17, 7.74				
3.49	If a modified GAGAS compliance statement was included in the review report, does the report disclose the following:	GAO 2.18, 7.74				
	The applicable requirement(s) not followed?	GAO 2.18, 7.74				

Totals:

0	0	0	(0 of 68 questions answered)
Yes	No	N/A	Comments

Question #	Question	Standard Reference	Yes	No	N/A	Comments
	The reasons for not following the requirement(s)?	GAO 2.18, 7.74				
	How not following the requirement(s) affected, or could have affected, the engagement and the assurance provided?	GAO 2.18, 7.74				
3.50	If the auditors did not comply with applicable requirements, did they:	GAO 2.19, 7.74				
	Assess the significance of the noncompliance to the engagement objectives?	GAO 2.19, 7.74				
	Document the assessment, along with their reasons for not following the requirement(s)?	GAO 2.19, 7.74				
	Determine the type of GAGAS compliance statement?	GAO 2.19, 7.74				

**Modified Conclusions**

**Misstatement of Subject Matter**

3.51	If the practitioner became aware that the subject matter was misstated, and it was not corrected, did the practitioner consider whether qualification of the conclusion in the standard practitioner’s report was adequate to disclose the misstatement of the subject matter?	AT-C 210.52				
3.52	If, in the practitioner's professional judgment the subject matter is materially misstated, did the practitioner modify the conclusion? In such cases, the practitioner should express a qualified conclusion or an adverse conclusion.	AT-C 210.53				
3.53	Did the practitioner include a separate paragraph in the practitioner's report that provides a description of the nature of the matter giving rise to the modification and, if practicable, includes the effects on the subject matter?	AT-C 210.54				
3.54	Did the practitioner express a qualified conclusion when, in the practitioner’s professional judgment, the effects of a matter are material but not pervasive? A qualified conclusion is expressed as being “except for” the effects of the matter to which the qualification relates.	AT-C 210.55				
3.55	Did the practitioner express an adverse conclusion when the practitioner, having obtained sufficient appropriate review evidence, concludes that misstatements, individually or in the aggregate, are both material and pervasive to the subject matter?	AT-C 210.56				
3.56	Did the practitioner, if they believe that conditions exist that, individually or in combination, result in one or more material misstatements based on the criteria, modify the conclusion and express a qualified or an adverse conclusion directly on the subject matter, not on the assertion, even when the assertion acknowledges the misstatement?	AT-C 210.57				
3.57	Is the practitioner’s conclusion on the subject matter or assertion clearly separated from any paragraphs emphasizing matters related to the subject matter or any other reporting responsibilities? Any paragraphs emphasizing matters related to the subject matter or any other reporting responsibilities should be phrased in a manner that makes it clear that these paragraphs are not intended to detract from that conclusion or to imply that the practitioner has obtained reasonable assurance.	AT-C 210.58				
3.58	Did the practitioner indicate in the practitioner’s report that reference to an external specialist (when the conclusion is modified and reference to an external specialist is relevant to the understating of the qualification) does not reduce the practitioner’s responsibility for that conclusion?	AT-C 210.59				

Totals:

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(0 of 68 questions answered)

Question #	Question	Standard Reference	Yes	No	N/A	Comments
<b>Scope Limitations</b>						
3.59	If a scope limitation existed, did the practitioner withdraw from the engagement, if withdrawal was possible under applicable laws and regulations?	AT-C 210.60				
<b>Responsible Party Refuses to Provide a Written Assertion</b>						
3.60	If the engaging party is the responsible party and refuses to provide the practitioner with a written assertion as required by AT-C 210.11, did the practitioner withdraw from the engagement when withdrawal is possible under applicable law or regulations?	AT-C 210.61				
3.61	If the engaging party was not the responsible party and the responsible party refused to provide the practitioner with a written assertion, did the practitioner report on the subject matter, disclose in the practitioner's report the responsible party's refusal to provide a written assertion, and restrict the use of the practitioner's report to the engaging party?	AT-C 210.62				
<b>Additional GAGAS Requirements - Distributing Reports</b>						
3.62	If the subject matter or the assertion involved material that was classified or contained confidential or sensitive information, did the auditor limit the report distribution, and document any limitation on report distribution?	GAO 7.77				
3.63	Did the auditors distribute the report to those charged with governance, to the appropriate audited entity officials, and to the appropriate oversight bodies or organizations requiring or arranging for the engagement?	GAO 7.77a				
3.64	As appropriate, did the auditors distribute copies of the report to other officials who have legal oversight authority and to others authorized to receive such reports?	GAO 7.77a				
<b>Communication Responsibilities</b>						
3.65	Did the practitioner communicate to the responsible party (and the engaging party if not the responsible party) known and suspected fraud and noncompliance with laws or regulations, as well as uncorrected misstatements?	AT-C 210.63				
<b>Documentation</b>						
3.66	Did the practitioner prepare engagement documentation sufficient to determine the following?	AT-C 210.65				
	The nature, timing, and extent of the procedures performed to comply with relevant AT-C sections and applicable legal and regulatory requirements, including:	AT-C 210.65				
	The identifying characteristics of the specific items or matters tested.	AT-C 210.65				
	Who performed the engagement work and the date such work was completed.	AT-C 210.65				
	The discussions with the responsible party or others about findings or issues that, in the practitioner's professional judgment, are significant, including the nature of the significant findings or issues discussed, and when and with whom the discussions took place.	AT-C 210.65				
	When the engaging party is the responsible party and the responsible party will not provide one or more of the requested written representations; the practitioner concludes that there is sufficient doubt about the competence, integrity, ethical values, or diligence of those providing the written representations; or that the written representations are otherwise not reliable, the matters in AT-C 210.38.	AT-C 210.65				

Totals:

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(0 of 68 questions answered)

Question #	Question	Standard Reference	Yes	No	N/A	Comments
	When the engaging party is not the responsible party and the responsible party will not provide the written representations regarding the matters in paragraph AT-C 210.33, the oral responses from the responsible party to the practitioner's inquiries regarding the matters in paragraph AT-C 210.33, in accordance with AT-C 210.34.	AT-C 210.65				
	Who reviewed the engagement work performed and the date and extent of such review.	AT-C 210.65				
	If the practitioner identified information that is inconsistent with the practitioner's final conclusion regarding a significant matter, how the practitioner addressed the inconsistency	AT-C 210.65				
	The results of the procedures performed and the review evidence obtained.	AT-C 210.65				
3.67	If, in circumstances such as those described in AT-C 210.32, the practitioner performed new or additional procedures or drew new conclusions after the date of the practitioner's report, did the practitioner document the following?	AT-C 210.66				
	The circumstances encountered.	AT-C 210.66				
	The new or additional procedures performed, evidence obtained, and conclusions reached and their effect on the report.	AT-C 210.66				
	When and by whom the resulting changes to the documentation was made and reviewed.	AT-C 210.66				

				Totals:			
				0	0	0	(0 of 28 questions answered)
Question #	Question	Standard Reference	Yes	No	N/A	Comments	
<b>4   Agreed-Upon Procedures Engagements</b>							
<b>Conduct of an Agreed-Upon Procedures Engagement</b>							
4.1	Did the practitioner comply with AT-C 215, 105, and any subject-matter AT-C section relevant to the engagement?	AT-C 215.09					
<b>Agreeing on the Terms of the Engagement</b>							
4.2	If the practitioner is not independent but is required by law or regulation to accept an agreed-upon procedures engagement and report on the procedures performed and findings obtained, has the practitioner's report specifically stated that the practitioner is not independent? Although the practitioner is neither required to provide, nor precluded from providing, the reasons for the lack of independence if the practitioner chooses to provide the reasons for the lack of independence has the practitioner included all the reasons therefor?	AT-C 215.10					
4.3	Has the practitioner, in order to establish that the preconditions for an agreed-upon procedures engagement are present, determined that the following conditions, in additions to the preconditions identified in section 105, are present?	AT-C 215.11					
	Procedures can be designed, performed, and reported on in accordance with this section?	AT-C 215.11(a)					
	The engaging party agrees, or will be able to agree, to the procedures and acknowledges that the procedures are appropriate for the intended purpose of the engagement?	AT-C 215.11(b)					
	The procedures to be applied to the subject matter are expected to result in reasonably consistent findings?	AT-C 215.11(c)					
	When applicable, the practitioner agrees to apply a threshold for reporting exceptions established by the engaging party?	AT-C 215.11(d)					
4.4	Has the practitioner established an understanding with the engaging party regarding the nature of the engagement, including the following?	AT-C 215.12					
	The intended purpose of the engagement and the intended users of the agreed-upon procedures report?	AT-C 215.12(a)					
	Whether the practitioner's agreed-upon procedures report is expected to be restricted to the use of specified parties?	AT-C 215.12(b)					
	Whether the engagement to be performed is pursuant to any law, regulation, or contract?	AT-C 215.12(c)					
	Whether parties in addition to the engaging party will be requested to agree to the procedures and acknowledge that the procedures performed are appropriate for their purposes?	AT-C 215.12(d)					

Totals:

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(0 of 28 questions answered)

Question #	Question	Standard Reference	Yes	No	N/A	Comments
4.5	Did the practitioner agree upon the terms of the engagement with the engaging party, and specify the agreed-upon terms of the engagement in sufficient detail in an engagement letter or other suitable form of written agreement that included the following?	AT-C 215.14				
	The nature of the engagement established pursuant to AT-C 215.12?	AT-C 215.15(a)				
	Identification of the subject matter and the responsible party?	AT-C 215.15(b)				
	The responsibilities of the practitioner?	AT-C 215.15(c)				
	A statement that the engagement will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants?	AT-C 215.15(d)				
	A statement that the responsible party is responsible for the subject matter?	AT-C 215.15(e)				
	A statement that the engaging party agrees to provide the practitioner, prior to the completion of the engagement, with a written agreement and acknowledgment that the procedures performed are appropriate for the intend purpose of the engagement?	AT-C 215.15(f)				
	A statement that the engaging party agrees to provide, at the conclusion of the engagement, a representation letter?	AT-C 215.15(g)				
	If known at the onset of the engagement, an identification of any other parties, in addition to the engaging party, that will be requested to agree to the procedures and acknowledge that the procedures performed are appropriate for their purposes? If the request is expected to be made by the engaging party, a statement that the engaging party agrees to provide, at the conclusion of the engagement, a written representation that the engaging party has obtained, from all necessary other parties, agreement to the procedures and acknowledgment that the procedures performed are appropriate for their purposes?	AT-C 215.15(h)				
	If the engaging party is not the responsible party, a statement that written representations may be requested from the responsible party?	AT-C 215.15(i)				
	Reference to the expected form and content of the practitioner's agreed-upon procedures report, including any use restrictions, if applicable?	AT-C 215.15(j)				
	Disclaimers expected to be included in the practitioner's report, if applicable?	AT-C 215.15(k)				
	Assistance to be provided to the practitioner, if applicable?	AT-C 215.15(l)				
	Involvement of a practitioner's external specialist, if applicable?	AT-C 215.15(m)				
	Specified thresholds for reporting exceptions, if applicable?	AT-C 215.15(n)				
<b>Procedures to Be Performed</b>						
4.6	Did the practitioner perform procedures agreed to and acknowledged by the engaging party to meet the intended purpose of the engagement established with the engaging party?	AT-C 215.16				
4.7	Did the practitioner avoid performing procedures that are open to varying interpretations or that use vague or ambiguous language (such as general review, limited review, check, or test unless such terms are defined within the procedures)?	AT-C 215.17				
4.8	Did the practitioner obtain evidence from applying the procedures to provide a reasonable basis for the finding or findings expressed in the practitioner's report? Note: The practitioner does not need to perform additional procedures outside the scope of the engagement to gather additional evidence.	AT-C 215.18				

Totals:

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(0 of 28 questions answered)

Question #	Question	Standard Reference	Yes	No	N/A	Comments
<b>Using the Work of a Practitioner's External Specialist</b>						
4.9	If the practitioner used an external specialist in the performance of the agreed-upon procedures engagement, did the practitioner and the engaging party explicitly agree to the involvement of the practitioner's external specialist, and did the practitioner's report describe the nature of the assistance provided by the practitioner's external specialist?	AT-C 215.19-.20				
<b>Using the Work of Internal Auditors or Other Practitioners</b>						
4.10	Were the procedures that were enumerated or referred to in the practitioner's report performed by the practitioner's engagement team, or other practitioners, and not internal auditors?	AT-C 215.21				
<b>Appropriateness of the Procedures Performed</b>						
4.11	Prior to the issuance of the practitioner's agreed-upon procedures report, did the practitioner obtain a written agreement of the procedures and acknowledgment from the engaging party that the procedures performed were appropriate for the intended purpose of the engagement?	AT-C 215.22				
<b>Findings</b>						
4.12	Did the practitioner present the results of applying procedures to specific subject matter in the form of findings?	AT-C 215.24				
4.13	Did the practitioner report all findings from application of the procedures and, if the engaging party established a threshold for reporting exceptions, did the practitioner describe such threshold in the practitioner's report?	AT-C 215.25				
4.14	In reporting findings, did the practitioner avoid the following:	AT-C 215.26				
	The use of vague or ambiguous language?	AT-C 215.26(a)				
	Including terms of uncertain meaning?	AT-C 215.26(b)				
	Expressing an opinion or conclusion on the subject matter or about whether the subject matter is in accordance with (or based on) the criteria?	AT-C 215.26(c)				
<b>Written Representations</b>						
4.15	Did the practitioner request from the engaging party (or responsible party if the engaging party was not the responsible party) the following written representations in the form of a letter addressed to the practitioner:	AT-C 215.27-.28				
	A statement that the responsible party is responsible for the subject matter?	AT-C 215.27(a)				
	If applicable, a statement that the engaging party has obtained, from all necessary parties, agreement to the procedures and acknowledgment that the procedures are appropriate for their purposes?	AT-C 215.27(b)				
	A statement that it has provided the practitioner with all relevant information and access, as applicable, as agreed upon in the terms of the engagement?	AT-C 215.27(c)				
	A statement that all known matters contradicting the subject matter and any communication from regulatory agencies or others affecting the subject matter have been disclosed to the practitioner, including communications received between the end of the period addressed by the subject matter and the date of the practitioner's report?	AT-C 215.27(d)				
	A statement that it is not aware of any material misstatements in the subject matter?	AT-C 215.27(e)				

			Totals:			0	0	0	(0 of 28 questions answered)
Question #	Question	Standard Reference	Yes	No	N/A	Comments			
	A statement that it has disclosed to the practitioner all known events subsequent to the period (or point in time) of the subject matter being reported on that would have a material effect on the subject matter?	AT-C 215.27(f)							
	Any additional representations that the practitioner determines are appropriate?	AT-C 215.27(g)							
4.16	Were the written representations dated as of the date of the practitioner's report, and did they address the subject matter and periods covered by the practitioner's findings?	AT-C 215.29							
<b>Requested Written Representations Not Provided or Not Reliable</b>									
4.17	If one or more of the written representations that the practitioner requested pursuant to AT-C 215.27-.28 were not provided, or the practitioner concluded that there was sufficient doubt about the competence, integrity, ethical values, or diligence of those providing the written representations, or the practitioner concluded that the written representations were otherwise not reliable, did the practitioner do the following:	AT-C 215.30							
	Discuss the matter with the engaging or responsible party, as appropriate?	AT-C 215.30(a)							
	Reevaluate the integrity of those from whom the representations were requested or received and evaluate the effect that this may have on the reliability of representations and evidence in general?	AT-C 215.30(b)							
	If any of the matters were not resolved to the practitioner's satisfaction, take appropriate action, including determining the possible effect on the practitioner's agreed-upon procedures report?	AT-C 215.30(c)							
<b>Content of the Practitioner's Agreed-Upon Procedures Report</b>									
4.18	Was the practitioner's agreed-upon procedures report in writing and in the form of procedures and findings, and did it include the following:	AT-C 215.31-.32, .34							
	A title that includes the word independent to clearly indicate that it is the report of an independent accountant?	AT-C 215.34(a)							
	An appropriate addressee as required by the circumstances of the engagement?	AT-C 215.34(b)							
	An identification of the engaging party?	AT-C 215.34(c)							
	Identification of the subject matter to which the procedures have been applied?	AT-C 215.34(d)							
	Identification of the responsible party, including a statement that the responsible party is responsible for the subject matter? (If the engaging party was not the responsible party and identification of the responsible party and its responsibility for the subject matter was based solely on representations received from the engaging party, the practitioner's agreed-upon procedures report should include a statement to that effect.)	AT-C 215.34(e)							
	A statement that the engaging party acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement?	AT-C 215.34(f)							
	An identification of the intended purpose of the engagement in sufficient detail to enable the user to understand the nature of the work performed?	AT-C 215.34(g)							
	A statement that the practitioner's report may not be suitable for any other purpose?	AT-C 215.34(h)							

Totals:

0

0

0

(0 of 28 questions answered)

Question #	Question	Standard Reference	Yes	No	N/A	Comments
	A statement that the procedures performed may not address all the items of interest to a user of the report and may not meet the needs of all users of the report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes?	AT-C 215.34(i)				
	A statement that an agreed-upon procedures engagement involves the practitioner performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed?	AT-C 215.34(j)				
	A description of the procedures performed detailing the nature and extent, and if applicable, the timing, of each procedure?	AT-C 215.34(k)				
	A description of the findings from each procedure performed, including sufficient details on exceptions found?	AT-C 215.34(l)				
	If applicable, a description of any specified threshold established by the engaging party for reporting exceptions?	AT-C 215.34(m)				
	A statement that the agreed-upon procedures engagement was conducted in accordance with attestation standards established by the AICPA?	AT-C 215.34(n)				
	A statement that the practitioner was not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the subject matter?	AT-C 215.34(o)				
	A statement that the practitioner does not express such an opinion or conclusion?	AT-C 215.34(p)				
	A statement that, had the practitioner performed additional procedures, other matters might have come to the practitioner's attention that would have been reported?	AT-C 215.34(q)				
	A statement that the practitioner is required to be independent of the responsible party and to meet the practitioner's other ethical responsibilities, in accordance with the relevant ethical requirements relating to the agreed-upon procedures engagement?	AT-C 215.34(r)				
	If applicable, a description of the nature of the assistance provided by a practitioner's external specialist?	AT-C 215.34(s)				
	When applicable, reservations or restrictions concerning procedures or findings?	AT-C 215.34(t)				
	The manual or printed signature of the practitioner's firm?	AT-C 215.34(u)				
	The city and state where the practitioner's report was issued?	AT-C 215.34(v)				
	The date of the report?	AT-C 215.34(w)				
<b>Additional GAGAS Requirements - Reporting Auditors' Compliance with GAGAS</b>						
4.19	Does the agreed-upon procedures report include an appropriate GAGAS compliance statement?	GAO 2.17, 7.82				
4.20	If a modified GAGAS compliance statement was included in the agreed-upon procedures report, does the report disclose the following:	GAO 2.18				
	The applicable requirement(s) not followed?	GAO 2.18				
	The reasons for not following the requirement(s)?	GAO 2.18				
	How not following the requirement(s) affected, or could have affected, the engagement and the assurance provided?	GAO 2.18				

			Totals:			0	0	0	(0 of 28 questions answered)
Question #	Question	Standard Reference	Yes	No	N/A	Comments			
4.21	If the auditors did not comply with applicable requirements, did they:	GAO 2.19, 7.82							
	Assess the significance of the noncompliance to the engagement objectives?	GAO 2.19, 7.82							
	Document the assessment, along with their reasons for not following the requirement(s)?	GAO 2.19, 7.82							
	Determine the type of GAGAS compliance statement?	GAO 2.19, 7.82							
<b>Additional GAGAS Requirements - Distributing Reports</b>									
4.22	If the subject matter or the assertion involves material that is classified or contains confidential or sensitive information, did the auditor limit the report distribution, and document any limitation on the report distribution?	GAO 7.85							
4.23	Did the auditor distribute the report to those charged with governance, to the appropriate audited entity officials, and to the appropriate oversight bodies or organizations requiring or arranging for the engagement?	GAO 7.85a							
4.24	As appropriate, did the auditor distribute copies of the report to other officials who have legal oversight authority and to others authorized to receive such reports?	GAO 7.85a							
<b>Alert That Restricts the Use of the Practitioner's Agreed-Upon Procedures Report</b>									
4.25	If the agreed-upon procedures report includes an alert that restricts the use of the report, does the alert:	AT-C 215.35-.36							
	State that the practitioner's report is intended solely for the information and use of the specified parties?	AT-C 215.36(a)							
	Identify the specified parties for whom use is intended?	AT-C 215.36(b)							
	State that the report is not intended to be, and should not be, used by anyone other than the specified parties?	AT-C 215.36(c)							
<b>Knowledge of Matters Outside Agreed-Upon Procedures</b>									
4.26	If in connection with the application of the procedures, and through the completion of the engagement, matters came to the practitioner's attention by other means that significantly contradicted the subject matter referred to in the practitioner's report, did the practitioner discuss the matter with the engaging party and take appropriate action, including determining whether the practitioner's report should be revised to disclose the matter?	AT-C 215.40							
<b>Additional GAGAS Requirements - Noncompliance with Provisions of Laws, Regulations, Contracts, and Grant Agreements</b>									
4.27	Did the auditors extend the AICPA requirements concerning consideration of noncompliance with laws and regulations to include consideration of noncompliance with provisions of contracts and grant agreements?	GAO 7.81							
<b>Documentation</b>									
4.28	Did the practitioner prepare engagement documentation on a timely basis and did it include the following:	AT-C 215.42							
	The written agreement and acknowledgment from the engaging party regarding the appropriateness of the procedures performed for the intended purpose of the engagement?	AT-C 215.42(a)							
	The nature, timing, and extent of the procedures performed to comply with relevant sections and applicable legal and regulatory requirements, including:	AT-C 215.42(b)							
	The identifying characteristics of the specific items or matters tested?	AT-C 215.42(b)(i)							

Totals:

			0	0	0	(0 of 28 questions answered)
Question #	Question	Standard Reference	Yes	No	N/A	Comments
	Who performed the engagement work and the date such work was completed?	AT-C 215.42(b)(ii)				
	When the appropriate party will not provide one or more of the requested written representations pursuant to AT-C 215.27-.28 or the practitioner concludes that there is sufficient doubt about the competence, integrity, ethical values, or diligence of those providing the written representations, or that the written representations are otherwise not reliable, the matters in AT-C 215.30a-c?	AT-C 215.42(b)(iii)				
	Who reviewed the engagement work performed and the date and extent of such review?	AT-C 215.42(b)(iv)				
	The results of the procedures performed and the evidence obtained.	AT-C 215.42(c)				

Totals: 0 0 0 (0 of 18 questions answered)

Question #	Question	Standard Reference*	Yes	No	N/A	Comments
<b>5   Compliance Attestation</b>						
<b>Preconditions for Examination Engagements</b>						
5.1	Did the practitioner request from management a written assertion or withdraw from the engagement (when withdrawal is possible under applicable law or regulation) if management refused to provide a written assertion?	AT-C 315.10				
<b>Reasonable Assurance</b>						
5.2	In an engagement to examine compliance with specified requirements, did the practitioner seek to obtain reasonable assurance that the entity complied with the specified requirements, in all material respects, including designing the examination to detect both intentional and unintentional material noncompliance?	AT-C 315.11				
<b>Materiality</b>						
5.3	Did the practitioner to consider materiality when establishing the overall engagement strategy?	AT-C 315.12				
<b>Examination Procedures</b>						
5.4	Did the practitioner perform the following procedures to obtain an understanding of the specified requirements?	AT-C 315.13				
	Consideration of laws, regulations, rules, contracts, and grants that pertain to the specified requirements, including published requirements.	AT-C 315.13				
	Consideration of knowledge about the specified requirements obtained through prior engagements and regulatory reports.	AT-C 315.13				
	Discussion with appropriate individuals within the entity (for example, the chief financial officer, internal auditors, legal counsel, compliance officer, or grant or contract administrators).	AT-C 315.13				
5.5	In an engagement to examine an entity's compliance with specified requirements when the entity has operations in several components (for example, locations, branches, subsidiaries, or programs), did the practitioner determine the nature, timing, and extent of testing to be performed at individual components?	AT-C 315.14				
5.6	Did the practitioner obtain an understanding of relevant portions of internal control over compliance sufficient to plan the engagement and to assess control risk for compliance with specified requirements?	AT-C 315.15				

Totals:

0

0

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(0 of 18 questions answered)

Question #	Question	Standard Reference*	Yes	No	N/A	Comments
5.7	For engagements involving compliance with regulatory requirements, did the practitioner's procedures include reviewing reports of relevant examinations and related communications between regulatory agencies and the entity and, when appropriate, making inquiries of the regulatory agencies, including inquiries about examinations in progress?	AT-C 315.16				
<b>Written Representations in an Examination Engagement</b>						
5.8	In an examination engagement, in addition to the written representations from management required by AT-C 205, did the practitioner request written representations from management that include the following?	AT-C 315.17				
	Acknowledgement of management's responsibility for establishing and maintaining effective internal control over compliance.	AT-C 315.17				
	A statement that management has performed an evaluation of the entity's compliance with specified requirements.	AT-C 315.17				
	A statement of management's interpretation of any compliance requirements that have varying interpretations.	AT-C 315.17				
	A statement that management has disclosed any known noncompliance occurring during or subsequent to the period covered by the practitioner's report.	AT-C 315.17				
5.9	In an examination of compliance, did the practitioner request from management the written representations required by AT-C 205 and AT-C 315.17, even if the engaging party was not management?	AT-C 315.18				
<b>Forming the Opinion</b>						
5.10	In evaluating whether the entity complied with the specified requirements, in all material respects, (or whether management's assertion about its compliance with the specified requirements is fairly stated, in all material respects), did the practitioner evaluate the nature and frequency of the noncompliance identified and whether such noncompliance was material relative to the nature of the compliance requirements?	AT-C 315.19				
<b>Content of the Practitioner's Examination Report</b>						
5.11	Did the practitioner's examination report on compliance include the following, unless the practitioner disclaimed an opinion (in which case, two items as noted below should be omitted)?	AT-C 315.20				
	A title that includes the word independent.	AT-C 315.20				
	An appropriate addressee as required by the circumstances of the engagement.	AT-C 315.20				
	An identification of the compliance matters that are being reported on or the assertion about such matters, including the point in time or period of time to which the measurement or evaluation of compliance relates.	AT-C 315.20				
	An identification of the specified requirements against which compliance was measured or evaluated.	AT-C 315.20				
	A statement that identifies:	AT-C 315.20				
	Management and its responsibility for compliance with the specified requirements (when reporting on the subject matter) or for its assertion (when reporting on the assertion).	AT-C 315.20				

Totals:

0

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(0 of 18 questions answered)

Question #	Question	Standard Reference*	Yes	No	N/A	Comments
	The practitioner's responsibility to express an opinion on the entity's compliance with the specified requirements or on management's assertion about the entity's compliance with the specified requirements, based on the practitioner's examination.	AT-C 315.20				
	A statement that:	AT-C 315.20				
	The examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants.	AT-C 315.20				
	Those standards require that the practitioner plan and perform the examination to obtain reasonable assurance about whether (1) the entity complied with the specified requirements, in all material respects, or (2) management's assertion about compliance with the specified requirements is fairly stated, in all material respects.	AT-C 315.20				
	The practitioner believes the evidence obtained is sufficient and appropriate to provide a reasonable basis for the practitioner's opinion.	AT-C 315.20				
	A description of the nature of an examination engagement. (Omitted if the practitioner is disclaiming and opinion.)	AT-C 315.20				
	A statement that describes significant inherent limitations, if any, associated with the measurement or evaluation of the entity's compliance with specified requirements or its assertion thereon. (Omitted if the practitioner is disclaiming and opinion.)	AT-C 315.20				
	A statement that the examination does not provide a legal determination on the entity's compliance with specified requirements.	AT-C 315.20				
	The practitioner's opinion about whether, in all material respects (1) the entity complied with the specified requirements or (2) management's assertion about the entity's compliance with specified requirements is fairly stated.	AT-C 315.20				
	When the circumstances identified in AT-C 205 are applicable, an alert in a separate paragraph that restricts the use of the report or describes the purpose of the report, as applicable.	AT-C 315.20				
	The manual or printed signature of the practitioner's firm.	AT-C 315.20				
	The city and state where the practitioner practices.	AT-C 315.20				
	The date of the report. (The report should be dated no earlier than the date on which the practitioner has obtained sufficient appropriate evidence on which to base the practitioner's opinion, including evidence that the attestation documentation has been reviewed, and management has provided a written assertion.)	AT-C 315.20				
5.12	If the criteria are not included in the compliance requirement, did the report identify the criteria?	AT-C 315.21				
<b>Modified Opinions</b>						
5.13	If the practitioner determined that there was material noncompliance, did the practitioner's report describe the material noncompliance, and was the opinion modified in accordance with section AT-C 205.	AT-C 315.22				
<b>Preconditions for an Agreed-Upon Procedures Engagement</b>						

Totals:

0

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(0 of 18 questions answered)

Question #	Question	Standard Reference*	Yes	No	N/A	Comments
5.14	Did the practitioner perform the following procedures to obtain an understanding of the specified requirements?	AT-C 315.24				
	Consider laws, regulations, rules, contracts, and grants that pertain to the specified requirements, including published requirements.	AT-C 315.24				
	Consider knowledge about the specified requirements obtained through prior engagements and regulatory reports.	AT-C 315.24				
	Discuss with appropriate individuals within the entity (for example, the chief financial officer, internal auditors, legal counsel, compliance officer, or grant or contract administrators).	AT-C 315.24				
<b>Written Representations in an Agreed-Up Procedures Engagement</b>						
5.15	In an agreed-upon procedures engagement, in addition to the written representations from management required by AT-C 215, did the practitioner request written representations from management that included the following?	AT-C 315.25				
	Acknowledgement of management's responsibility for establishing and maintaining effective internal control over compliance.	AT-C 315.25				
	A statement of management's interpretation of any compliance requirements that have varying interpretations.	AT-C 315.25				
	A statement that management has disclosed any known noncompliance occurring subsequent to the period covered by the practitioner's report.	AT-C 315.25				
<b>Content of the Practitioner's Agreed-Up Procedures Report</b>						
5.16	Did the practitioner's agreed-upon procedures report on compliance include the following?	AT-C 315.26				
	A title that includes the word independent.	AT-C 315.26				
	An appropriate addressee as required by the circumstances of the engagement.	AT-C 315.26				
	Identification of the engaging party	AT-C 315.26				
	Indication that the subject matter to which the procedures have been applied is the entity's compliance (or internal control over compliance) during a period or as of a point in time.	AT-C 315.26				
	An identification of the specified requirements against which the entity's compliance (or internal control over compliance) was measured or evaluated.	AT-C 315.26				
	An indication that management of the entity is responsible for the entity's compliance (or internal control over compliance) with the specified requirements.	AT-C 315.26				
	A statement that the engaging party acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement.	AT-C 315.26				
	A statement that the purpose of the engagement is to assist users in determining whether the entity complied with the specified requirements (or internal control over compliance with specified requirements)	AT-C 315.26				
	A statement that the practitioner's report may not be suitable for any other purpose.	AT-C 315.26				
	A statement that the procedures performed may not address all the items of interest to a user of the report and may not meet the needs of all users of the report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.	AT-C 315.26				

Totals:

0

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(0 of 18 questions answered)

Question #	Question	Standard Reference*	Yes	No	N/A	Comments
	A statement that an agreed-upon procedures engagement involves the practitioner performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.	AT-C 315.26				
	A description of the procedures performed detailing the nature and extent, and if applicable, the timing of each procedure.	AT-C 315.26				
	A description of the findings from each procedure performed, including sufficient details on exceptions found. (The practitioner should not provide a conclusion.)	AT-C 315.26				
	If applicable, a description of any specified threshold established by management for reporting exceptions.	AT-C 315.26				
	A statement that the agreed-upon procedures engagement was conducted in accordance with attestation standards established by the AICPA.	AT-C 315.26				
	A statement that the practitioner was not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on compliance with specified requirements (or internal control over compliance with specified requirements).	AT-C 315.26				
	A statement that the practitioner does not express such an opinion or conclusion.	AT-C 315.26				
	A statement that had the practitioner performed additional procedures, other matters might have come to the practitioner's attention that would have been reported.	AT-C 315.26				
	A statement that the practitioner is required to be independent of the entity and to meet the practitioner's other ethical responsibilities, in accordance with the relevant ethical requirements relating to the agreed-upon procedures engagement.	AT-C 315.26				
	If applicable, a description of the nature of the assistance provided by a practitioner's external specialist.	AT-C 315.26				
	When applicable, reservations or restrictions concerning procedures or findings.	AT-C 315.26				
	The manual or printed signature of the practitioner's firm.	AT-C 315.26				
	The city and state where the practitioner practices.	AT-C 315.26				
	The date of the report. (The report should be dated no earlier than the date on which the practitioner completed the procedures and determined the findings, including that the attestation documentation has been reviewed.	AT-C 315.26				
<b>Alert That Restricts the Use of the Practitioner's Agreed-Up Procedures Report</b>						
5.17	Did the practitioner consider whether to include an alert, in a separate paragraph, that restricts the use of the practitioner's agreed-upon procedures report, taking into account the understanding with the engaging party regarding the nature of the engagement.	AT-C 315.27				
	If that practitioner determines to include an alert, in a separate paragraph, that restricts the use of the practitioner's reports, did the alert:	AT-C 315.28				
	State that the practitioner's report is intended solely for the information and use of the specified parties.	AT-C 315.28				
	Identify the specified parties for whom use is intended.	AT-C 315.28				

Totals:

0	0	0	(0 of 18 questions answered)
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Question #	Question	Standard Reference*	Yes	No	N/A	Comments
	State that the report is not intended to be, and should not be, used by anyone other than the specified parties.	AT-C 315.28				
5.18	When the engagement is also performed in accordance with Government Auditing Standards, and the practitioner determines to include an alert, in a separate paragraph that restricts the use of the practitioner's report, did the practitioner's alert include the following information, rather than the information required by paragraph .28:	AT-C 315.29				
	A description of the purpose of the report	AT-C 315.29				
	A statement indicating that the report is not suitable for any other purpose	AT-C 315.29				

				Totals:			
				0	0	0	(0 of 5 questions answered)
Question #	Question	Standard Reference	Yes	No	N/A	Comments	
<b>6   Direct Examinations</b>							
<b>Alert: If a Direct Examination is selected for review, the requirements of AT-C 205 must be met as well unless AT-C 206 indicates otherwise. Both checklists will need to completed.</b>							
<b>Acceptance and Continuance</b>							
6.1	Did the practitioner, Before accepting or continuing a direct examination engagement, obtain an understanding of the following matters through inquiries of the appropriate party?	AT-C 206.07					
	The intended purpose of the engagement, how the practitioner’s report will be used, and why the engaging party wishes to engage the practitioner to perform a direct examination engagement	AT-C 206.07					
	If the responsible party has not measured or evaluated the underlying subject matter against the criteria, why the responsible party has not done so	AT-C 206.07					
	If the responsible party has measured or evaluated the underlying subject matter against the criteria, why the responsible party does not intend to provide an assertion	AT-C 206.07					
<b>Terms of the Engagement</b>							
6.2	Did the practitioner's agreed-upon terms of the engagement include the following? (Note: Paragraph AT-C 205.07 requires the practitioner to agree upon the terms of the engagement with the engaging party and that the agreement be in sufficient detail in an engagement letter or other suitable form of written agreement.)	AT-C 206.09					
	The objective and scope of the engagement	AT-C 206.09					
	The responsibilities of the practitioner	AT-C 206.09					
	A statement that the engagement will be conducted in accordance with attestation standards established by the AICPA	AT-C 206.09					
	The responsibilities of the responsible party and the responsibilities of the engaging party, if different, including the following:	AT-C 206.09					
	The responsible party is responsible for the underlying subject matter	AT-C 206.09					
	The responsible party or engaging party, as applicable, is responsible for the following:	AT-C 206.09					
	Selecting the criteria for the measurement, evaluation, or disclosure of the underlying subject matter	AT-C 206.09					
	Determining that such criteria are suitable, will be available to the intended users, and are appropriate for the purpose of the engagement	AT-C 206.09					
	A statement about the inherent limitations of an examination engagement	AT-C 206.09					
	Identification of the criteria for the measurement, evaluation, or disclosure of the underlying subject matter	AT-C 206.09					

Totals:

0

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0

(0 of 5 questions answered)

Question #	Question	Standard Reference	Yes	No	N/A	Comments
	An acknowledgment that the engaging party agrees to provide the practitioner with a representation letter at the conclusion of the engagement	AT-C 206.09				
<b>Written Representations</b>						
6.3	Did the practitioner request from the responsible party written representations in the form of a letter addressed to the practitioner? Those representations should:	AT-C 206.10				
	State that all known matters contradicting the measurement or evaluation of the underlying subject matter or the subject matter information, and any communication from regulatory agencies or others affecting the underlying subject matter or subject matter information have been disclosed to the practitioner, including communications received between the end of the period addressed by the practitioner's report and the date of the practitioner's report.	AT-C 206.10				
	Acknowledge responsibility for	AT-C 206.10				
	The underlying subject matter;	AT-C 206.10				
	Selecting the criteria, when applicable;	AT-C 206.10				
	Determining that such criteria are suitable, will be available to the intended users, and are appropriate for the purpose of the engagement.	AT-C 206.10				
	State that the responsible party has disclosed to the practitioner	AT-C 206.10				
	All deficiencies in internal control relevant to the underlying subject matter of which the responsible party is aware;	AT-C 206.10				
	Its knowledge of any actual, suspected, or alleged fraud or noncompliance with laws or regulations affecting the underlying subject matter or subject matter information; and	AT-C 206.10				
	Other matters as the practitioner deems appropriate	AT-C 206.10				
	State that any known events occurring subsequent to the period (or point in time) of the underlying subject matter or subject matter information being reported on that would have a material effect on the underlying subject matter or subject matter information have been disclosed to the practitioner.	AT-C 206.10				
	State that it has provided the practitioner with all relevant information and access as agreed upon in the terms of the engagement.	AT-C 206.10				
6.4	If the engaging party is not the responsible party, did the practitioner request written representations from the engaging party in addition to those requested from the responsible party, in the form of a letter addressed to the practitioner? The representations should:	AT-C 206.11				
	Acknowledge that the responsible party is responsible for the underlying subject matter.	AT-C 206.11				
	Acknowledge the engaging party's responsibility for selecting the criteria, when applicable.	AT-C 206.11				
	Acknowledge the engaging party's responsibility for determining that such criteria are suitable, will be available to the intended users, and are appropriate for the purpose of the engagement.	AT-C 206.11				
	State that the engaging party is not aware of any material misstatements in the underlying subject matter or subject matter information.	AT-C 206.11				
	State that the engaging party has disclosed to the practitioner all known events subsequent to the period (or point in time) of the subject matter information being reported on that would have a material effect on the subject matter information.	AT-C 206.11				

Totals:

0

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(0 of 5 questions answered)

Question #	Question	Standard Reference	Yes	No	N/A	Comments
	Address other matters as the practitioner deems appropriate.	AT-C 206.11				
<b>Content of the Practitioner's Report</b>						
6.5	Did the practitioner's report include the following items?	AT-C 206.12				
	A title that includes the word independent.	AT-C 206.12				
	An appropriate addressee as required by the circumstances of the engagement.	AT-C 206.12				
	An identification or description of the subject matter information being reported on, including the point in time or period of time to which the measurement or evaluation of the underlying subject matter against the criteria relates.	AT-C 206.12				
	An identification of the criteria against which the underlying subject matter was measured or evaluated.	AT-C 206.12				
	An identification of	AT-C 206.12				
	The responsible party and its responsibility for the underlying subject matter.	AT-C 206.12				
	The practitioner's responsibility for	AT-C 206.12				
	Measuring or evaluating the underlying subject matter against the criteria and performing other procedures,	AT-C 206.12				
	Expressing an opinion that conveys the results of the practitioner's measurement or evaluation of the underlying subject matter against the criteria, based on the practitioner's examination, and	AT-C 206.12				
	Presenting any subject matter information as part of the practitioner's measurement or evaluation, when applicable.	AT-C 206.12				
	<b>Note: Rows 59-63 are not applicable if the practitioner is disclaiming an opinion.</b>					
	A statement that	AT-C 206.12				
	The practitioner's examination was conducted in accordance with attestation standards established by the AICPA.	AT-C 206.12				
	Those standards require that the practitioner obtain reasonable assurance by measuring or evaluating the underlying subject matter against the criteria and performing other procedures to obtain sufficient appropriate evidence to express an opinion that conveys the result of that measurement or evaluation.	AT-C 206.12				
	The practitioner believes the evidence the practitioner obtained is sufficient and appropriate to provide a reasonable basis for the practitioner's opinion.	AT-C 206.12				
	A description of the nature of a direct examination engagement.	AT-C 206.12				
	A statement that the practitioner is required to be independent and to meet the practitioner's other ethical responsibilities in accordance with relevant ethical requirements related to the examination engagement.	AT-C 206.12				
	A statement that describes significant inherent limitations, if any, associated with the measurement or evaluation of the underlying subject matter against the criteria.	AT-C 206.12				
	The practitioner's opinion conveying the results of the practitioner's measurement or evaluation of the underlying subject matter against the criteria	AT-C 206.12				
	The manual or printed signature of the practitioner's firm.	AT-C 206.12				
	The city and state where the practitioner's report is issued.	AT-C 206.12				

Totals:

0 0 0

(0 of 5 questions answered)

Question #	Question	Standard Reference	Yes	No	N/A	Comments
	The date of the report. (The report should be dated no earlier than the date on which the practitioner has obtained sufficient appropriate evidence on which to base the practitioner's opinion, including evidence that	AT-C 206.12				
	The attestation documentation has been reviewed, and	AT-C 206.12				
	If applicable, the written presentation of the subject matter information has been prepared.	AT-C 206.12				

**Conclusions of the  
External Peer Review  
for Attestation Engagements**

Audit Organization  
Under Review:

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External Peer  
Reviewers:

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External Peer  
Review Team Leader:

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Date Form Completed:

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This document should be used for peer reviews of attestation engagements performed under the AICPA's Attestation Standards and the 2018 revision of Government Auditing Standards. (The 2018 revision of Government Auditing Standards is effective for attestation engagements for periods ending on or after June 30, 2020.)

## **Conclusions of the External Peer Review for Attestation Engagements**

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### **Purpose**

This document provides guidance to the external peer review team in reaching conclusions about the audit organization's system of quality control. In drawing its conclusions, the review team should remember that any matters identified in the organization's quality control policies and procedures or compliance therewith cannot be viewed in isolation.

Matters should be considered for their significance in relation to the organization's overall quality control system, its organizational structure, and the nature of its audit function. The review team should consider the nature, cause, pattern, significance, frequency, and pervasiveness of matters noted in the review to evaluate whether the reviewed organization has complied with its quality control policies and procedures in all material respects and a peer review rating of *pass* is appropriate, or whether a *pass with deficiency(ies)* or *fail* rating is appropriate. In considering instances of noncompliance, the review team should consider whether the noncompliance resulted from policies or procedures that exceed policies and procedures that would be required in the circumstances to assure compliance with applicable professional standards.

Compliance, for the purpose of determining reasonable assurance with professional standards, means adherence to a prescribed quality control policy or procedure in all material respects; it does not imply adherence to a prescribed policy or procedure in every case. Variance in individual performance and professional interpretation affects the degree of compliance with an organization's prescribed quality control policies and procedures. Adherence to all policies and procedures in every case may not be possible; nevertheless, a high degree of compliance is to be expected.

### **Instructions for Completing the Form**

For each AICPA AT-C and GAGAS section specified below on the Conclusions document, the review team is asked to refer to and draw conclusions from the information compiled on the "Matters for Further Consideration" form. Matters that have been cleared on the MFC Form are not brought forward to this document. Further, matters that the review team has determined will be discussed verbally with the audit organization are also not brought forward to this document. These matters may be discussed with the state audit organization at the exit conference. At the request of the state audit organization, summary notes or an outline of these matters may be provided at the exit conference to facilitate the discussion of these issues.

For matters brought forward to the Conclusions document, the review team should determine whether those matters could prevent reasonable assurance of performing and reporting in compliance with professional standards overall, part(s) of one or more individual standards, or are of lesser significance but still should be communicated to the organization.

In evaluating the matters brought forward to the Conclusions document, the review team must consider the pattern and pervasiveness of matters and their implications for compliance with the audit organization's system of quality control as a whole, in addition to their nature, causes, and relative importance in the specific circumstances in which they were observed. The review team's first task is to try to determine why the matters occurred. In some cases, the *design* of the audit organization's system of quality control may be deficient (for example, when there is inadequate supervision of engagement planning). In other cases, there may be a pattern of *noncompliance* with a quality control policy or procedure such as when audit organization policy requires the completion of a financial statement disclosure checklist, but such checklists often were not used or relevant questions or points were incorrectly considered. That increases the possibility that the audit organization might not perform and/or report in conformity with applicable professional standards in all material respects. This also means that the reviewer must consider carefully whether the matter(s) individually or in the aggregate is a deficiency or a significant deficiency and whether there is the need to issue a peer review report with a peer review rating of *pass with deficiencies* or *fail*.

On the other hand, the types of matters noted may be individually different, not individually significant, and not directly traceable to the design of or compliance with a particular quality control policy or procedure. This may lead the reviewer to the conclusion that the matters were isolated cases of human error that should not result in a peer review report with a peer review rating of *pass with deficiencies* or *fail*.

Finally, the review team is asked to conclude whether the organization's overall quality control system should receive a peer review report rating of *pass*, *pass with deficiency(ies)* or *fail*. Findings not rising to the level of a deficiency or significant deficiency should be reported to the state audit organization on an FFC form.

Guidance for reporting on external peer reviews is included in the "Policies and Procedures for the NSAA External Peer Review Program" (section II of the Peer Review Manual). The "Reporting Matrix" from section II has been included in this document for guidance in making decisions on the various reporting options. The review team should refer to section II and the Reporting Matrix as it reaches conclusions on the review.

**REPORTING MATRIX  
GENERAL GUIDANCE FOR REPORTING CONSIDERATIONS**

<b>Items noted during peer review</b>	<b>Severity of design/compliance matters</b>	<b><i>In general, the design, including documentation and communication, of the organization's system of quality control was...</i></b>	<b><i>In general, compliance with the organization's system of quality control was...</i></b>	<b><i>In general, the design/compliance matters noted related to...</i></b>	<b><i>In general, the compliance matters noted were....</i></b>	<b><i>Considering the overall design and compliance, the organization's system of quality control....</i></b>	<b><i>Type of peer review report to issue</i></b>
Matter <i>Documented on an MFC form</i> (See page II-20)	Isolated or insignificant	Adequate for complying with applicable professional standards <sup>(a)</sup> overall	Sufficient on overall system	Part(s) of at least one standard	Isolated occurrences (often related to only one or a few engagements)	Provided a reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects	Pass
Finding <i>Documented on an FFC form</i> (See pages II-20)	Moderate	Adequate for complying with applicable professional standards overall; however, inadequate for part(s) of one or more individual standards	Sufficient on overall system; however, insufficient for part(s) of at least one standard	Part(s) of at least one standard	Recurring and pervasive (in multiple engagements reviewed)	After considering the findings identified, provided a reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects	Pass
Deficiency <i>Communicated in the report</i> (See pages II-20)	Serious	Adequate for complying with applicable professional standards overall; however, inadequate for substantially one standard or several parts of several standards <sup>(b)</sup>	Sufficient on overall system; however, insufficient for one standard or several parts of several standards	Substantially one standard or several parts of several standards	Recurring and pervasive (in multiple engagements reviewed)	Provided a reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects with the exception of a certain deficiency or deficiencies that are described in the report	Pass with deficiencies
Significant Deficiency <i>Communicated in the report</i> (See page II-20)	Severe	Inadequate for complying with applicable professional standards overall <sup>(b)</sup>	Insufficient on overall system	Several standards	Recurring and pervasive (in multiple engagements reviewed)	Did not provide a reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects	Fail

- (a) For purposes of this matrix, "standards" includes individual government auditing standards, individual AU-C Sections (e.g., AU-C 230), and individual AT Sections.
- (b) In the absence of matters noted in the engagements reviewed, the reviewer would normally conclude that matters noted in the design of the QC system should only be reported as a finding and not elevated to a deficiency or significant deficiency.

**Conclusions of the External  
Peer Review for Attestation Engagements**

**AICPA Concepts Common to All Attestation Engagements**

- Conduct of an Attestation Engagement in Accordance with the Attestation Standards (AT-C 105A.12-.20)
- Preconditions for an Attestation Engagement (AT-C 105A.24-.28)
- Acceptance of a Change in the Terms of the Engagement (AT-C 105A.29-.30)
- Using the Work of an Other Practitioner (AT-C 105A.31)
- Quality Control (AT-C 105A.32-.33)
- Engagement Documentation (AT-C 105A.34-.41)
- Professional Skepticism and Professional Judgment (AT-C 105A.43-.45)

1. If, after considering the information compiled on the “Matters for Further Consideration” form, the team concludes that the organization’s system of quality control for these professional standards is suitably designed and complied with to provide the audit organization with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects, check here \_\_\_\_\_.
  
2. If the team concludes that the matters identified in the organization’s system of quality control could adversely affect compliance with these professional standards or part(s) thereof, or are of lesser significance but still should be communicated, summarize those matters below and indicate how the team would report on them. (Note: These conclusions may be preliminary, depending on the types of matters identified for other professional standards and the existence of compensating policies or procedures.)

MFC#	Summary of matters to be communicated to the organization, either in the report or on an FFC form (as applicable). Explain the significance of the matters being commented on.	Reporting Implications (Check One)		
		Represents a severe, recurring, and pervasive matter. Does not provide reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Include as a significant deficiency in a peer review report with a rating of <i>fail</i> .	Represents a serious, recurring, and pervasive matter. Provides reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects with the exception of a certain deficiency(ies). Include as a deficiency(ies) in a peer review report with a rating of <i>pass with deficiency(ies)</i> .	Represents a matter of moderate significance that is recurring and pervasive. After considering the findings identified, provides reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Report as a finding on an FFC form.

## Conclusions of the External Peer Review for Attestation Engagements

### GAGAS General Standards

GAGAS establishes general standards and provides guidance for performing attestation engagements under generally accepted government auditing standards. These general standards, along with the overarching ethical principles of GAGAS (GAO 3.02-.16) establish a foundation for the credibility of auditors' work. These general standards relate to:

- Independence (GAO 3.17-.108)
- Professional Judgment (GAO 3.109-.117)
- Competence (GAO 4.02-.15)
- Continuing Professional Education (GAO 4.16-.53)
- Quality Control and Assurance (GAO 5.02-.59)
- External Peer Review (GAO 5.60-.95)

1. If, after considering the information compiled on the "Matters for Further Consideration" form, the team concludes that the organization's system of quality control for these professional standards is suitably designed and complied with to provide the audit organization with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects, check here \_\_\_\_\_.
  
2. If the team concludes that the matters identified in the organization's system of quality control could adversely affect compliance with these professional standards or part(s) thereof, or are of lesser significance but still should be communicated, summarize those matters below and indicate how the team would report on them. (Note: These conclusions may be preliminary, depending on the types of matters identified for other professional standards and the existence of compensating policies or procedures.)

MFC#	Summary of matters to be communicated to the organization, either in the report or on an FFC form (as applicable). Explain the significance of the matters being commented on.	Reporting Implications (Check One)		
		Represents a severe, recurring, and pervasive matter. Does not provide reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Include as a significant deficiency in a peer review report with a rating of <i>fail</i> .	Represents a serious, recurring, and pervasive matter. Provides reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects with the exception of a certain deficiency(ies). Include as a deficiency(ies) in a peer review report with a rating of <i>pass with deficiency(ies)</i> .	Represents a matter of moderate significance that is recurring and pervasive. After considering the findings identified, provides reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Report as a finding on an FFC form.

**Conclusions of the External  
Peer Review for Attestation Engagements**

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**AICPA Performance and Reporting Requirements for Examination Engagements**

- Agreeing on the Terms of the Engagement (AT-C 205A.07-.09)
  - Requesting a Written Assertion (AT-C 205A.10)
  - Planning and Performing the Engagement (AT-C 205A.11-.13)
  - Risk Assessment Procedures (AT-C 205A.14-.15)
  - Materiality in Planning and Performing the Engagement (AT-C 205A.16-.17)
  - Identifying Risks of Material Misstatement (AT-C 205A.18)
  - Responding to Assessed Risks and Obtaining Evidence (AT-C 205A.19-.20)
  - Further Procedures (AT-C 205A.21-.31)
  - Fraud, Laws, and Regulations (AT-C 205A.32-.33)
  - Revision of Risk Assessment (AT-C 205A.34)
  - Evaluating the Reliability of Information Produced by the Entity (AT-C 205A.35)
  - Using the Work of a Practitioner's Specialist (AT-C 205A.36-.38)
  - Using the Work of Internal Auditors (AT-C 205A.39-.44)
  - Evaluating the Results of Procedures (AT-C 205A.45-.47)
  - Considering Subsequent Events and Subsequently Discovered Facts (AT-C 205A.48-.49)
  - Written Representations (AT-C 205A.50-.54)
  - Requested Written Representations Not Provided or Not Reliable (AT-C 205A.55-.56)
  - Other Information (AT-C 205A.57)
  - Description of Criteria (AT-C 205A.58)
  - Forming the Opinion (AT-C 205A.59-.60)
  - Preparing the Practitioner's Report (AT-C 205A.61-.62)
  - Content of the Practitioner's Report (AT-C 205A.63-.66)
  - Reference to the Practitioner's Specialist (AT-C 205A.67)
  - Modified Opinions (AT-C 205A.68-.81)
  - Responsible Party Refuses to Provide a Written Assertion (AT-C 205A.82-.84)
  - Communication Responsibilities (AT-C 205A.85-.86)
  - Documentation (AT-C 205A.87-.89)
1. If, after considering the information compiled on the "Matters for Further Consideration" form, the team concludes that the organization's system of quality control for these professional standards is suitably designed and complied with to provide the audit organization with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects, check here \_\_\_\_\_.
  2. If the team concludes that the matters identified in the organization's system of quality control could adversely affect compliance with these professional standards or part(s) thereof or are of lesser significance but still should be communicated, summarize those matters below and indicate how the team would report on them. (Note: These conclusions may be preliminary, depending on the types of matters identified for other professional standards and the existence of compensating policies or procedures.)

MFC#	Summary of matters to be communicated to the organization, either in the report or on an FFC form (as applicable). Explain the significance of the matters being commented on.	Reporting Implications (Check One)		
		Represents a severe, recurring, and pervasive matter. Does not provide reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Include as a significant deficiency in a peer review report with a rating of <i>fail</i> .	Represents a serious, recurring, and pervasive matter. Provides reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects with the exception of a certain deficiency(ies). Include as a deficiency(ies) in a peer review report with a rating of <i>pass with deficiency(ies)</i> .	Represents a matter of moderate significance that is recurring and pervasive. After considering the findings identified, provides reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Report as a finding on an FFC form.

**Conclusions of the External  
Peer Review for Attestation Engagements**

**Additional GAGAS Standards for Conducting and Reporting on Examination Engagements**

- Auditor Communication (GAO 7.09-.12)
- Results of Previous Engagements (GAO 7.13)
- Investigations or Legal Proceedings (GAO 7.14-.16)
- Noncompliance with Provisions of Laws, Regulations, Contracts, and Grant Agreements (GAO 7.17-.18)
- Findings (GAO 7.19-.32)
- Examination Engagement Documentation (GAO 7.33-.36)
- Availability of Individuals and Documentation (GAO 7.37-.38)
- Reporting the Auditors' Compliance with GAGAS (GAO 7.39-.41)
- Reporting Deficiencies in Internal Control (GAO 7.42-.43)
- Reporting on Noncompliance with Provisions of Laws, Regulations, Contracts, and Grant Agreements or Instances of Fraud (GAO 7.44-.47)
- Presenting Findings in the Report (GAO 7.48-.50)
- Reporting Findings Directly to Parties Outside the Audited Entity (GAO 7.51-.54)
- Obtaining and Reporting the Views of Responsible Officials (GAO 7.55-.60)
- Reporting Confidential or Sensitive Information (GAO 7.61-.68)
- Distributing Reports (GAO 7.69)

1. If, after considering the information compiled on the "Matters for Further Consideration" form, the team concludes that the organization's system of quality control for these professional standards is suitably designed and complied with to provide the audit organization with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects, check here \_\_\_\_\_.
  
2. If the team concludes that the matters identified in the organization's system of quality control could adversely affect compliance with these professional standards or part(s) thereof, or are of lesser significance but still should be communicated, summarize those matters below and indicate how the team would report on them. (Note: These conclusions may be preliminary, depending on the types of matters identified for other professional standards and the existence of compensating policies or procedures.)

MFC#	Summary of matters to be communicated to the organization, either in the report or on an FFC form (as applicable). Explain the significance of the matters being commented on.	Reporting Implications (Check One)		
		Represents a severe, recurring, and pervasive matter. Does not provide reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Include as a significant deficiency in a peer review report with a rating of <i>fail</i> .	Represents a serious, recurring, and pervasive matter. Provides reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects with the exception of a certain deficiency(ies). Include as a deficiency(ies) in a peer review report with a rating of <i>pass with deficiency(ies)</i> .	Represents a matter of moderate significance that is recurring and pervasive. After considering the findings identified, provides reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Report as a finding on an FFC form.


**Conclusions of the External  
Peer Review for Attestation Engagements**

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**AICPA Performance and Reporting Requirements for Review Engagements**

- Agreeing on the Terms of the Engagement (AT-C 210A.08-.10)
  - Requesting a Written Assertion (AT-C 210A.11)
  - Planning and Performing the Engagement (AT-C 210A.12-.13)
  - Materiality in Planning and Performing the Engagement (AT-C 210A.14)
  - Procedures to be Performed (AT-C 210A.15-.18)
  - Analytical Procedures (AT-C 210A.19-.20)
  - Inquiries and Other Review Procedures (AT-C 210A.21-.22)
  - Fraud, Laws, and Regulations (AT-C 210A.23-.24)
  - Incorrect, Incomplete, or Otherwise Unsatisfactory Information (AT-C 210A.25-.26)
  - Using the Work of a Practitioner's Specialist or Internal Auditors (AT-C 210A.27)
  - Evaluating the Results of Review Procedures (AT-C 210A.28-.30)
  - Considering Subsequent Events and Subsequently Discovered Facts (AT-C 210A.31-.32)
  - Written Representations (AT-C 210A.33-.37)
  - Requested Written Representations Not Provided or Not Reliable (AT-C 210A.38-.39)
  - Other Information (AT-C 210A.40)
  - Description of Criteria (AT-C 210A.41)
  - Forming the Conclusion (AT-C 210A.42-.43)
  - Preparing the Practitioner's Report (AT-C 210A.44-.45)
  - Content of the Practitioner's Report (AT-C 210A.46-.49)
  - Reference to the Practitioner's Specialist (AT-C 210A.50)
  - Modified Conclusions (AT-C 210A.51-.58)
  - Responsible Party Refuses to Provide a Written Assertion (AT-C 210A.59-.60)
  - Communication Responsibilities (AT-C 210A.61)
  - Documentation (AT-C 210A.62-.64)
1. If, after considering the information compiled on the "Matters for Further Consideration" form, the team concludes that the organization's system of quality control for these professional standards is suitably designed and complied with to provide the audit organization with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects, check here \_\_\_\_\_.
  2. If the team concludes that the matters identified in the organization's system of quality control could adversely affect compliance with these professional standards or part(s) thereof, or are of lesser significance but still should be communicated, summarize those matters below and indicate how the team would report on them. (Note: These conclusions may be preliminary, depending on the types of matters identified for other professional standards and the existence of compensating policies or procedures.)

MFC#	Summary of matters to be communicated to the organization, either in the report or on an FFC form (as applicable). Explain the significance of the matters being commented on.	Reporting Implications (Check One)		
		Represents a severe, recurring, and pervasive matter. Does not provide reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Include as a significant deficiency in a peer review report with a rating of <i>fail</i> .	Represents a serious, recurring, and pervasive matter. Provides reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects with the exception of a certain deficiency(ies). Include as a deficiency(ies) in a peer review report with a rating of <i>pass with deficiency(ies)</i> .	Represents a matter of moderate significance that is recurring and pervasive. After considering the findings identified, provides reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Report as a finding on an FFC form.

**Conclusions of the External  
Peer Review for Attestation Engagements**

**Additional GAGAS Standards for Conducting and Reporting on Review Engagements**

- Noncompliance with Provisions of Laws, Regulations, Contracts, and Grant Agreements (GAO 7.73)
- Reporting Auditors' Compliance with GAGAS (GAO 7.74-.76)
- Distributing Reports (GAO 7.77)

1. If, after considering the information compiled on the "Matters for Further Consideration" form, the team concludes that the organization's system of quality control for these professional standards is suitably designed and complied with to provide the audit organization with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects, check here \_\_\_\_\_.
  
2. If the team concludes that the matters identified in the organization's system of quality control could adversely affect compliance with these professional standards or part(s) thereof, or are of lesser significance but still should be communicated, summarize those matters below and indicate how the team would report on them. (Note: These conclusions may be preliminary, depending on the types of matters identified for other professional standards and the existence of compensating policies or procedures.)

MFC#	Summary of matters to be communicated to the organization, either in the report or on an FFC form (as applicable). Explain the significance of the matters being commented on.	Reporting Implications (Check One)		
		Represents a severe, recurring, and pervasive matter. Does not provide reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Include as a significant deficiency in a peer review report with a rating of <i>fail</i> .	Represents a serious, recurring, and pervasive matter. Provides reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects with the exception of a certain deficiency(ies). Include as a deficiency(ies) in a peer review report with a rating of <i>pass with deficiency(ies)</i> .	Represents a matter of moderate significance that is recurring and pervasive. After considering the findings identified, provides reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Report as a finding on an FFC form.

**Conclusions of the External  
Peer Review for Attestation Engagements**

**AICPA Performance and Reporting Requirements for Agreed Upon Procedures Engagements**

- Agreeing on the Terms of the Engagement (AT-C 215A.12-.14)
- Requesting a Written Assertion (AT-C 215A.15-.16)
- Procedures to be Performed (AT-C 215A.17-.20)
- Using the Work of a Practitioner’s External Specialist (AT-C 215A.21-.22)
- Using the Work of Internal Auditors or Other Practitioners (AT-C 215A.23)
- Findings (AT-C 215A.24-.27)
- Written Representations (AT-C 215A.28-.30)
- Requested Written Representations Not Provided or Not Reliable (AT-C 215A.31-.32)
- Preparing the Practitioner’s Report (AT-C 215A.33-.34)
- Content of the Practitioner’s Agreed-Upon Procedures Report (AT-C 215A.35)
- Responsible Party Refuses to Provide a Written Assertion (AT-C 215A.36)
- Restrictions on the Performance of Procedures (AT-C 215A.37)
- Adding Specified Parties (Nonparticipant Parties) (AT-C 215A.38-.40)
- Knowledge of Matters Outside Agreed-Upon Procedures (AT-C 215A.41)
- Communication Responsibilities (AT-C 215A.42)
- Documentation (AT-C 215A.43)

1. If, after considering the information compiled on the “Matters for Further Consideration” form, the team concludes that the organization’s system of quality control for these professional standards is suitably designed and complied with to provide the audit organization with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects, check here \_\_\_\_\_.
  
2. If the team concludes that the matters identified in the organization’s system of quality control could adversely affect compliance with these professional standards or part(s) thereof, or are of lesser significance but still should be communicated, summarize those matters below and indicate how the team would report on them. (Note: These conclusions may be preliminary, depending on the types of matters identified for other professional standards and the existence of compensating policies or procedures.)

MFC#	Summary of matters to be communicated to the organization, either in the report or on an FFC form (as applicable). Explain the significance of the matters being commented on.	Reporting Implications (Check One)		
		Represents a severe, recurring, and pervasive matter. Does not provide reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Include as a significant deficiency in a peer review report with a rating of <i>fail</i> .	Represents a serious, recurring, and pervasive matter. Provides reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects with the exception of a certain deficiency(ies). Include as a deficiency(ies) in a peer review report with a rating of <i>pass with deficiency(ies)</i> .	Represents a matter of moderate significance that is recurring and pervasive. After considering the findings identified, provides reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Report as a finding on an FFC form.


**Conclusions of the External  
Peer Review for Attestation Engagements**

**Additional GAGAS Standards for Conducting and Reporting on Agreed-Upon Procedures Engagements**

- Noncompliance with Provisions of Laws, Regulations, Contracts, and Grant Agreements (GAO 7.81)
- Reporting Auditors' Compliance with GAGAS (GAO 7.82-.84)
- Distributing Reports (GAO 7.85)

1. If, after considering the information compiled on the "Matters for Further Consideration" form, the team concludes that the organization's system of quality control for these professional standards is suitably designed and complied with to provide the audit organization with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects, check here \_\_\_\_\_.
  
2. If the team concludes that the matters identified in the organization's system of quality control could adversely affect compliance with these professional standards or part(s) thereof, or are of lesser significance but still should be communicated, summarize those matters below and indicate how the team would report on them. (Note: These conclusions may be preliminary, depending on the types of matters identified for other professional standards and the existence of compensating policies or procedures.)

MFC#	Summary of matters to be communicated to the organization, either in the report or on an FFC form (as applicable). Explain the significance of the matters being commented on.	Reporting Implications (Check One)		
		Represents a severe, recurring, and pervasive matter. Does not provide reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Include as a significant deficiency in a peer review report with a rating of <i>fail</i> .	Represents a serious, recurring, and pervasive matter. Provides reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects with the exception of a certain deficiency(ies). Include as a deficiency(ies) in a peer review report with a rating of <i>pass with deficiency(ies)</i> .	Represents a matter of moderate significance that is recurring and pervasive. After considering the findings identified, provides reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Report as a finding on an FFC form.

## **Conclusions of the External Peer Review for Attestation Engagements**

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### **Guidance for Reporting the Results of the External Peer Review**

This final section is designed to guide the external peer review team in reaching an overall conclusion about the audit organization's system of quality control.

1. Considering the review team's work during this review and the conclusions drawn in this document – both individually and collectively – what type of peer review report does the review team conclude should be issued? (Check one.)

**a. A peer review rating of *pass* \_\_\_\_\_**

A report with a peer review rating of *pass* should be issued when the review team concludes that the reviewed audit organization's system of quality control has been suitably designed and complied with during the period reviewed to provide the audit organization with **reasonable assurance** of performing and reporting in conformity with applicable professional standards in all material respects.

**b. A peer review rating of *pass with deficiencies* \_\_\_\_\_**

A report with a peer review rating of *pass with deficiency(ies)* should be issued when the review team concludes that the audit organization's system of quality control has been suitably designed and complied with during the period reviewed to provide the audit organization with **reasonable assurance** of performing and reporting in conformity with applicable professional standards in all material respects with the exception of a certain deficiency or deficiencies that are described in the report.

**c. A peer review rating of *fail* \_\_\_\_\_**

A report with a peer review rating of *fail* should be issued when the review team has identified significant deficiencies and concludes that the audit organization's system of quality control is not suitably designed to provide the audit organization with **reasonable assurance** of performing and reporting in conformity with applicable professional standards in all material respects or the audit organization has not complied with its system of quality control to provide the audit organization with **reasonable assurance** of performing and reporting in conformity with applicable professional standards in all material respects.

2. In documenting findings, the team should prepare an FFC form(s) for matters that result from a condition in the reviewed audit organization's system of quality control, or compliance with it, such that there is more than a remote possibility that the reviewed audit organization would not perform and/or report in conformity with applicable professional standards, but which do not rise to the level of a deficiency or significant deficiency.
3. Other matters should be discussed verbally with the state audit organization at the exit conference. At the request of the state audit organization, summary notes or an outline may be provided at the exit conference to facilitate the discussion of these issues.

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## Section VII

Performance Audit External Peer Review

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February 2021

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## ***Documents for a Performance Audit External Peer Review***

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The external peer review process for performance audits involves a number of interrelated documents, which are identified below. Those designated with an asterisk (\*) are identical documents used for financial audit and attestation external peer reviews and can be found in Section IV.

### **Completed By Audit Organization**

Audit Organization Questionnaire\* *(last updated October 2019)*

Audit Staff Questionnaire\* *(last updated February 2021)*

### **Completed by Audit Organization and External Peer Reviewers**

Audit Organization's Policies and Procedures for General Requirements and Review Guide *(content last updated May 2021)*

Audit Organization's Policies and Procedures for Performance Audits and Review Guide *(content last updated May 2021)*

### **Completed By External Peer Reviewers**

Guide for Review of Performance Audit Engagements *(content last updated June 2019)*

### **Completed/Compiled By Review Team Leader**

Matters for Further Consideration\* *(last updated June 2019)*

Conclusions of the External Peer Review for Performance Audits *(last updated February 2021)*

Finding(s) for Further Consideration\* *(created May 2013)*

The last document is the External Peer Review Report that the external peer review team drafts on the organization's overall quality control system and its satisfaction of the audit standards. (Examples can be found on pages II-33 through II-37.)

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Agency Policies and Procedures | General Requirements | Coversheet

Audit Organization Under Review

Audit Organization Staff Who Completed Form

Types of Engagements Covered by this Checklist

Review Team Member(s) Who Completed Form

External Peer Review Team Leader

Date

**Audit Organization's Quality Control Policies and Procedures for General Requirements**

**Purpose and Format**

The National State Auditors Association's external peer review program is designed to provide an independent assessment of an audit organization's system of quality control. As defined in the Association's "Policies and Procedures for the External Peer Review Program," such a system encompasses the audit organization's leadership, its emphasis on performing high quality work, and the policies and procedures designed to provide reasonable assurance of complying with professional standards and applicable legal and regulatory requirements.

This checklist is designed to obtain information about the audit organization's quality control policies and procedures and to allow the external peer review team to assess those policies and procedures to determine whether they are adequate. It contains a separate section for each of the generally accepted government auditing standards issued by the Comptroller General of the United States (2018 Revision). Each section contains a series of questions about the policies and procedures the organization has in place to provide reasonable assurance that its audit work complies with the standard. These questions generally are tied to the statements in the standards that require or place responsibility on an organization or its auditors to do something.

**Instructions for Completing this Form**

*Audit Organization*

*Note to audit organization: If policies and procedures referenced for the GAGAS General Requirements (Independence, Professional Judgment, Competence, and Quality Control and Assurance) are the same for all types of engagements conducted by your organization, it is not necessary to complete this questionnaire for each engagement type. Please note above the types of engagements covered by this checklist. If general requirements are different for other engagement types, a separate checklist must be completed.*

The audit organization under review should complete the sections that are shaded in orange. All other sections should be completed by the external peer review team.

Under the audit organization columns, you are asked to reference your applicable quality control policies and procedures, or the document(s) in which they can be found. As it applies to your organization, reference the policies and procedures related to audit work done in-house as well as to audit work conducted on a contractual basis. All answers should be cross-referenced to the organization's documents and, whenever feasible, copies of the documents should be attached to the questionnaire. If your organization has a comprehensive audit manual or a quality control document covering its policies and procedures, it is preferred that you cross-reference and attach a complete version of that manual or document. Manual references should be as specific as possible to facilitate the review process.

If the reference document does not clearly explain how compliance with the standard is assured, please briefly describe how compliance is assured in the space provided. This information will give the external peer review team a better understanding of how the organization operates and its policies, procedures, and documents in place to assure compliance with standards. This information is useful to the external peer reviewers in assessing the design of the quality control system to reasonably assure compliance with standards, and for assessing the organization's compliance with its system.

Audit organizations should also identify when the referenced policy and procedure has substantially changed since the last peer review. This information will assist the peer review team with its risk-based review of policies and procedures. A substantial change is one that either represents a consequential change in the organization's policy or procedures to meet the requirement, or significant revision to the documentation or communication of the policy or procedure. A substantial change would include situations where the referenced policies or procedures were re-created or re-written, updated to meet new or changed requirements of professional standards, modified to change or correct the understanding or application of professional standards, modified to change or correct the audit approach or methodology, etc. A substantial change would not include inconsequential updates, corrections or wording changes to a policy or procedure, typographical or formatting changes, updates to citations to professional standards in instances where requirements of professional standards did not change, etc. If the audit organization is unsure how to complete this column, they should discuss their questions with the peer review team leader.

The external peer review team will review these specific policies, procedures or documents as part of its assessment of whether they are appropriately comprehensive and suitably designed for the organization and whether they are adequately documented. The information and documentation that you provide will facilitate an efficient external peer review.

Because of the differences between government audit organizations, this questionnaire may not address all the audit policies and procedures that may apply to your organization's operations. Carefully complete the questionnaire to identify the policies and procedures your organization has in place for ensuring that it complies with applicable audit standards.

#### *Review Team*

The portion of the form to be completed by the audit organization asks the audit organization to reference its quality control policies and procedures, or the documents in which they can be found, and to briefly describe how compliance is assured if the reference document(s) does not provide this information. This information can give the external peer reviewer a better understanding of how the organization operates. It can also be helpful in determining the nature and extent of the review procedures to be performed to assess the organization's compliance with its established policies and procedures.

The reviewer should follow guidance in workpaper D12 in using a risk-based approach in selecting questions for follow-up. For those questions chosen for follow-up, the reviewer should assess the policy or procedure referenced by the audit organization and check yes, no, or N/A (not applicable). To the far right of each question is a "comments" column that should be used to qualify or explain a yes or no response, if necessary. For every question the reviewer answers with a "no," information about the type of deficiency or deviation noted should be recorded on the form, "Matters for Further Consideration," under the appropriate standard.

In conducting this review, the review team should recognize that the nature, extent, and formality of an audit organization's quality control system will vary based on the audit organization's circumstances, such as the audit organization's size, number of offices and geographic dispersion, the knowledge and experience of its personnel, the nature and complexity of its audit work, and cost-benefit considerations. The system established and the extent of its documentation is a matter of professional judgment and will vary based on the audit organization's circumstances. The team should consider these factors in studying and evaluating the quality control system in place for each audit organization.

**References to Standards**

The guide includes references to the following professional literature:

*GAO Government Auditing Standards, 2018 Revision*



























## Agency Policies and Procedures | Performance Audit | Coversheet

Audit Organization Under Review

Audit Organization Staff Who Completed Form

Review Team Member(s) Who Completed Form

External Peer Review Team Leader

Date

### Audit Organization's Quality Control Policies and Procedures for Performance Audits

#### Purpose and Format

The National State Auditors Association's external peer review program is designed to provide an independent assessment of an audit organization's system of quality control. As defined in the Association's "Policies and Procedures for the External Peer Review Program," such a system encompasses the audit organization's leadership, its emphasis on performing high quality work, and the policies and procedures designed to provide reasonable assurance of complying with professional standards and applicable legal and regulatory requirements.

This checklist is designed to obtain information about the audit organization's quality control policies and procedures and to allow the external peer review team to assess those policies and procedures to determine whether they are adequate. It contains a separate section for each of the requirements in Government Auditing Standards issued by the Comptroller General of the United States (2018 Revision). Each section contains a series of questions about the policies and procedures the organization has in place to provide reasonable assurance that its audit work complies with the requirement. These questions generally are tied to the statements in the standards that require or place responsibility on an organization or its auditors to do something.

#### Instructions for Completing this Form

##### *Audit Organization*

The audit organization under review should complete the sections that are shaded in orange. All other sections should be completed by the external peer review team.

Under the audit organization columns, you are asked to reference your applicable quality control policies and procedures, or the document(s) in which they can be found. As it applies to your organization, reference the policies and procedures related to audit work done in-house as well as to audit work conducted on a contractual basis. All answers should be cross-referenced to the organization's documents and, whenever feasible, copies of the documents should be attached to the questionnaire. If your organization has a comprehensive audit manual or a quality control document covering its policies and procedures, it is preferred that you cross-reference and attach a complete version of that manual or document. Manual references should be as specific as possible to facilitate the review process.

If the reference document does not clearly explain how compliance with the standard is assured, please briefly describe how compliance is assured in the space provided. This information will give the external peer review team a better understanding of how the organization operates and its policies, procedures, and documents in place to assure compliance with standards. This information is useful to the external peer reviewers in assessing the design of the quality control system to reasonably assure compliance with standards, and for assessing the organization's compliance with its system.

Audit organizations should also identify when the referenced policy and procedure has substantially changed since the last peer review. This information will assist the peer review team with its risk-based review of policies and procedures. A substantial change is one that either represents a consequential change in the organization's policy or procedures to meet the requirement, or significant revision to the documentation or communication of the policy or procedure. A substantial change would include situations where the referenced policies or procedures were re-created or re-written, updated to meet new or changed requirements of professional standards, modified to change or correct the understanding or application of professional standards, modified to change or correct the audit approach or methodology, etc. A substantial change would not include inconsequential updates, corrections or wording changes to a policy or procedure, typographical or formatting changes, updates to citations to professional standards in instances where requirements of professional standards did not change, etc. If the audit organization is unsure how to complete this column, they should discuss their questions with the peer review team leader.

The external peer review team will review these specific policies, procedures or documents as part of its assessment of whether they are appropriately comprehensive and suitably designed for the organization and whether they are adequately documented. The information and documentation that you provide will facilitate an efficient external peer review.

Because of the differences between government audit organizations, this questionnaire may not address all the audit policies and procedures that may apply to your organization's operations. Carefully complete the questionnaire to identify the policies and procedures your organization has in place for ensuring that it complies with applicable audit standards.

#### *Review Team*

The portion of the form to be completed by the audit organization asks the audit organization to reference its quality control policies and procedures, or the documents in which they can be found, and to briefly describe how compliance is assured if the reference document(s) does not provide this information. This information can give the external peer reviewer a better understanding of how the organization operates. It can also be helpful in determining the nature and extent of the review procedures to be performed to assess the organization's compliance with its established policies and procedures.

The reviewer should follow guidance in workpaper D12 in using a risk-based approach in selecting questions for follow-up. For those questions chosen for follow-up, the reviewer should assess the policy or procedure referenced by the audit organization and check yes, no, or N/A (not applicable). To the far right of each question is a "comments" column that should be used to qualify or explain a yes or no response, if necessary. For every question the reviewer answers with a "no," information about the type of deficiency or deviation noted should be recorded on the form, "Matters for Further Consideration," under the appropriate standard.

In conducting this review, the review team should recognize that the nature, extent, and formality of an audit organization's quality control system will vary based on the audit organization's circumstances, such as the audit organization's size, number of offices and geographic dispersion, the knowledge and experience of its personnel, the nature and complexity of its audit work, and cost-benefit considerations. The system established and the extent of its documentation is a matter of professional judgment and will vary based on the audit organization's circumstances. The team should consider these factors in studying and evaluating the quality control system in place for each audit organization.

**References to Standards**

The guide includes references to the following professional literature:

*GAO Government Auditing Standards, 2018 Revision*





Question #	Question	Standard Reference	Audit Organization			Review Team - Is the Policy and Procedure Adequate?					Comments	
			Reference Document	How is Compliance Assured (if not clearly explained by reference document)?	Note here if procedures have substantially changed since your last peer review (if not, leave blank)?	0	0	0	0	Hidden Formula		(0 of 123 questions answered)
						Not Reviewed	Yes	No	N/A			
<b>2   Fieldwork Standards – Conducting the Engagement</b>												
<i>Nature and Profile of the Program and User Needs (see related application guidance GAO 8.37 – 8.3)</i>												
2.1	What are your organization's policies and procedures that require auditors to obtain an understanding of the nature of the program or program component under audit and the potential use that will be made of the audit results or report as they plan a performance audit? The nature and profile of a program include:	GAO 8.36										
2.1.a	Visibility, sensitivity, and relevant risks associated with the program under audit.	GAO 8.36a							0			
2.1.b	Age of the program or changes in its condition.	GAO 8.36b							0			
2.1.c	The size of the program in terms of total dollars, number of citizens affected, or other measures.	GAO 8.36c							0			
2.1.d	Level and extent of review or other forms of independent oversight.	GAO 8.36d							0			
2.1.e	The program's strategic plan and objectives.	GAO 8.36e							0			
2.1.f	External factors or conditions that could directly affect the program.	GAO 8.36f							0			
<i>Determining Significance and Obtaining an Understanding of Internal Control (see related applicatic</i>												
2.2	What are your organization's policies and procedures that require auditors to determine and document whether internal control is significant to the audit objectives?	GAO 8.39							0			
2.3	If it is determined that internal control is significant to the audit objectives, what are your organization's policies and procedures that require auditors to obtain an understanding of such internal control?	GAO 8.40							0			
<i>Assessing Internal Control (see related application guidance GAO 8.50 – 8.53)</i>												
2.4.a	<b>(NOTE: if the Technical Update to the Yellow Book has been implemented, mark this question N/A and answer the question below. The effective date of the Technical Update is April 15, 2021.)</b> If internal control is determined to be significant to the audit objectives, what are your organization's policies and procedures that require auditors to assess and document their assessment of the design, implementation, and/or operating effectiveness of such internal control to the extent necessary to address the audit objectives?	GAO 8.49							0			
2.4.b	<b>(NOTE: if the Technical Update to the Yellow Book has NOT been implemented, mark this question N/A and answer the question below. The effective date of the Technical Update is April 15, 2021.)</b> If internal control is determined to be significant to the audit objectives, what are your organization's policies and procedures that require auditors to plan and perform audit procedures to assess internal control to the extent necessary to address the audit objectives?	GAO 8.49							0			
<i>Internal Control Deficiencies Considerations (see related application guidance GAO 8.55 – 8.58)</i>												
2.5	What are your organization's policies and procedures that require auditors to evaluate and document the significance of identified internal control deficiencies within the context of the audit objectives?	8.54							0			
<i>Information Systems Controls Considerations (see related application guidance GAO 8.63 – 8.67)</i>												













Question #	Question	Standard Reference	Audit Organization			Review Team - Is the Policy and Procedure Adequate?					
			Reference Document	How is Compliance Assured (if not clearly explained by reference document)?	Note here if procedures have substantially changed since your last peer review (if not, leave blank)?	0	0	0	0	Hidden Formula	(0 of 123 questions answered)
						Not Reviewed	Yes	No	N/A		
Comments											
8.8	What are your organization's policies and procedures that require auditors to report conclusions based on the audit objectives and the audit findings?	GAO 9.19								0	
8.9	What are your organization's policies and procedures that require auditors to describe in their report limitations or uncertainties with the reliability or validity of evidence if (1) the evidence is significant to the findings and conclusions within the context of the audit objectives and (2) such disclosure is necessary to avoid misleading the report users about the findings and conclusions?	GAO 9.20								0	
8.10	What are your organization's policies and procedures that require auditors to describe the limitations or uncertainties regarding evidence in conjunction with the findings and conclusions, in addition to describing those limitations or uncertainties as part of the objectives, scope, and methodology?	GAO 9.20								0	
8.11	What are your organization's policies and procedures that require auditors to place their findings in perspective by describing the nature and extent of the issues being reported and the extent of the work performed that resulted in the findings?	GAO 9.21								0	
8.12	To give the reader a basis for judging the prevalence and consequences of the auditor's findings, what are your organization's policies and procedures that require auditors to, as appropriate, relate the instances identified to the population or the number of cases examined and quantify the results in terms of dollar value, or other measures?	GAO 9.21								0	
8.13	What are your organization's policies and procedures that require auditors to limit their conclusions appropriately if the results cannot be projected?	GAO 9.21								0	
8.14	When reporting on the results of their work, what are your organization's policies and procedures that require auditors to disclose significant facts relevant to the objectives of their work and known to them that if not disclosed could mislead knowledgeable users, misrepresent the results, or conceal significant improper or illegal practices?	GAO 9.22								0	
8.15	What are your organization's policies and procedures that require auditors, when feasible, to recommend actions to correct deficiencies and other findings identified during the audit and to improve programs and operations when the potential for improvement in programs, operations, and performance is substantiated by the reported findings and conclusions?	GAO 9.23								0	
8.16	What are your organization's policies and procedures that require auditors to make recommendations that flow logically from the findings and conclusions, are directed at resolving the cause of identified deficiencies and findings, and clearly state the actions recommended?	GAO 9.23								0	

Reporting on Internal Control (see related application guidance GAO 9.32 – 9.34)











## Audit Review Guide | Performance Audit | Coversheet

Audit Organization Under Review

Audit Under Review

Person(s) Who Completed This Form

External Peer Review Team Leader

Date

Audit Period

### Guide for Review of Performance Audit Engagements

#### Purpose

The “Guide for Review of Performance Audit Engagements” is designed to help the reviewer determine the extent to which the audits being reviewed were conducted in compliance with the organization's quality control policies and procedures. As used in the NSAA external peer review process, compliance does not imply adherence to a prescribed policy or procedure in every case. Although a high degree of compliance is to be expected, variations in individual performance and professional interpretation can affect the degree of compliance achieved.

In reviewing audit documentation, the reviewer should keep in mind that he or she has not had the benefit of access to the auditee's records, discussions with the auditee or specific knowledge of the auditee's business. Thus, in the absence of compelling evidence to the contrary, the reviewer should presume that representations of fact contained in the working papers are correct.

#### The Form of the Guide

This guide contains a separate section for each requirement in Government Auditing Standards issued by the Comptroller General of the United States (2018 Revision). Each section contains a series of review steps and questions for the reviewer to complete. Paragraph references to applicable standards or supporting text in the Yellow Book are listed for most questions. The reviewer also will need to be familiar with the organization's quality control policies and procedures for performance audits to answer the questions in this guide.

The reviewer should complete the review steps in this guide and check “Yes,” “No,” or “N/A” (not applicable) in the appropriate place at the end of each question. A comments column is also provided for the reviewer to qualify or explain a “Yes” or “No” response, if necessary, and to describe the extent of review procedures performed when applicable. Note: Questions relating to the general requirements on independence, professional judgment, competence, and quality control and assurance have been placed last. It makes sense to answer these questions last because many of the answers can best be determined after the review has been completed.

For every question the reviewer answers with a “No,” information about the type of deficiency or deviation noted should be recorded on the form, “Matters for Further Consideration,” under the appropriate standard. That form is maintained by the external peer review team leader, and the method for recording the information should be agreed to in advance by the team leader and team members. That form provides an effective tool for drawing conclusions at the end of the review about the organization's overall system of quality control.

**References to Standards**

The guide includes references to the following professional literature:

*GAO Government Auditing Standards, 2018 Revision*

		Totals:				
		0	0	0	(0 of 150 questions answered)	
Question #	Question	Standard Reference	Yes	No	N/A	Comments
<b>1   Fieldwork Standards - Planning</b>						
<i>General (see related application guidance GAO 8.08 – 8.19)</i>						
1.1	Did the auditors adequately plan and document the planning of the work necessary to address the audit objectives?	GAO 8.03				
1.2	Did the auditors plan the audit to reduce audit risk to an acceptably low level?	GAO 8.04				
1.3	In planning the audit, did the auditors assess significance and audit risk and apply those assessments to establish the scope and methodology for addressing the audit objectives?	GAO 8.05				
1.4	Did the auditors design the methodology to obtain sufficient, appropriate evidence that provides a reasonable basis for findings and conclusions based on the audit objectives and to reduce audit risk to an acceptably low level?	GAO 8.06				
1.5	Did the auditors identify and use suitable criteria based on the audit objectives?	GAO 8.07				
<i>Auditor Communication (see related application guidance GAO 8.23 – 8.26)</i>						
1.6	Did the auditors communicate an overview of the objectives, scope, and methodology, and timing of the performance audit and planned reporting (including any potential restrictions on the report) to the following (unless doing so could significantly impair the auditors' ability to obtain sufficient, appropriate evidence to address the audit objectives), as applicable:	GAO 8.20				
1.6.a	Management of the audited entity, including those with sufficient authority and responsibility to implement corrective action in the program or activity being audited?	GAO 8.20a				
1.6.b	Those charged with governance?	GAO 8.20b				
1.6.c	The individuals contracting for or requesting audit services, such as contracting officials or grantees?	GAO 8.20c				
1.6.d	The cognizant legislative committee, when auditors conduct the audit pursuant to a law or regulation or when they conduct the work for the legislative committee that has oversight of the audited entity?	GAO 8.20d				
1.7	In those situations where the parties required to receive communications (as described in GAO 8.20) are not clearly evident, did the auditors document the process followed and conclusions reached in identifying the appropriate individuals to receive the required communications?	GAO 8.21				
1.8	Did the auditors retain written communication resulting from GAO 8.20 as audit documentation?	GAO 8.22				
<i>Investigations or Legal Proceedings (see related application guidance GAO 8.27 – 8.29)</i>						

Totals: 0 0 0 (0 of 150 questions answered)

Question #	Question	Standard Reference	Yes	No	N/A	Comments
1.9	Did the auditors inquire of management of the audited entity whether any investigations or legal proceedings significant to the audit objectives had been initiated or were in process with respect to the period under audit, and evaluate the effect of initiated or in-process investigations or legal proceedings on the current audit?	GAO 8.27				
<b>Results of Previous Engagements</b>						
1.10	Did the auditors evaluate whether the audited entity took appropriate corrective action to address findings and recommendations from previous engagements that are significant within the context of the audit objectives?	GAO 8.30				
1.11	When planning the audit, did the auditors:	GAO 8.30				
1.11.a	Ask management of the audited entity to identify previous engagements or other studies that directly relate to the objectives of the audit, including whether related recommendations had been implemented?	GAO 8.30				
1.11.b	Use this information in assessing risk and determining the nature, timing, and extent of audit work, including determining the extent to which testing the implementation of the corrective actions was applicable to the audit objectives?	GAO 8.30				
<b>Assigning Auditors</b>						
1.12	Did audit management assign sufficient auditors with adequate collective professional competence (see GAO 4.02-4.15) to conduct the audit?	GAO 8.31				
1.13	If specialists were used, did the auditors document the nature and scope of the work to be performed by the specialists, including:	GAO 8.32				
1.13.a	The objectives and scope of the specialists' work?	GAO 8.32a				
1.13.b	The intended use of the specialists' work to support the audit objectives?	GAO 8.32b				
1.13.c	The specialists' procedures and findings so they can be evaluated and related to other planned audit procedures?	GAO 8.32c				
1.13.d	The assumptions and methods used by the specialists?	GAO 8.32d				
<b>Preparing a Written Audit Plan (see related application guidance GAO 8.34 – 8.35)</b>						
1.14	Did the auditors prepare a written audit plan for the audit, and update the plan, as necessary, to reflect any significant changes to the plan made during the audit?	GAO 8.33				
<b>2   Fieldwork Standards - Conducting the Engagement</b>						
<b>Nature and Profile of the Program and User Needs (see related application guidance GAO 8.37 – 8.38)</b>						
2.1	Did the auditors obtain an understanding of the nature of the program or program component under audit and the potential use that would be made of the audit results or report as they planned the audit? The nature and profile of a program include:	GAO 8.36				
2.1.a	Visibility, sensitivity, and relevant risks associated with the program under audit.	GAO 8.36a				
2.1.b	Age of the program or changes in its condition.	GAO 8.36b				
2.1.c	The size of the program in terms of total dollars, number of citizens affected, or other measures.	GAO 8.36c				
2.1.d	Level and extent of review or other forms of independent oversight.	GAO 8.36d				
2.1.e	The program's strategic plan and objectives.	GAO 8.36e				

			Totals:			0	0	0	(0 of 150 questions answered)
Question #	Question	Standard Reference	Yes	No	N/A	Comments			
2.1.f	External factors or conditions that could directly affect the program.	GAO 8.36f							
<b>Determining Significance and Obtaining an Understanding of Internal Control</b> (see related application guidance GAO 8.41 – 8.48)									
2.2	Did the auditors determine and document whether internal control was significant to the audit objectives?	GAO 8.39							
2.3	If the auditors determined internal control was significant to the audit objectives, did the auditors obtain an understanding of such internal control?	GAO 8.40							
<b>Assessing Internal Control</b> (see related application guidance GAO 8.50 – 8.53)									
2.4.a	<b>(NOTE: if the Technical Update to the Yellow Book has been implemented, mark this question N/A and answer the question below. The effective date of the Technical Update is April 15, 2021.)</b> If internal control was determined to be significant to the audit objectives, did the auditors assess and document their assessment of the design, implementation, and/or operating effectiveness of such internal control to the extent necessary to address the audit objectives?	GAO 8.49							
2.4.b	<b>(NOTE: if the Technical Update to the Yellow Book has NOT been implemented, mark this question N/A and answer the question above. The effective date of the Technical Update is April 15, 2021.)</b> If internal control was determined to be significant to the audit objectives, did the auditors plan and perform audit procedures to assess internal control to the extent necessary to address the audit objectives?	GAO 8.49							
<b>Internal Control Deficiencies Considerations</b> (see related application guidance GAO 8.55 – 8.58)									
2.5	Did the auditors evaluate and document the significance of identified internal control deficiencies within the context of the audit objectives?	GAO 8.54							
<b>Information Systems Controls Considerations</b> (see related application guidance GAO 8.63 – 8.67)									
2.6	Did the auditors, when obtaining an understanding of internal control significant to the audit objectives, also determine whether it was necessary to evaluate information systems controls?	GAO 8.59							
2.7	If information systems controls were determined to be significant to the audit objectives, or the effectiveness of significant controls was dependent on the effectiveness of information systems controls, did the auditors:	GAO 8.60							
2.7.a	Evaluate the design, implementation, and/or operating effectiveness of such controls?	GAO 8.60							
2.7.b	Obtain a sufficient understanding of information system controls necessary to assess audit risk and plan the audit within the context of the audit objectives?	GAO 8.60							
2.8	Did the auditors determine which audit procedures related to information systems controls were needed to obtain sufficient, appropriate evidence to support the audit findings and conclusions?	GAO 8.61							
2.9	If evaluating information systems controls was an audit objective, did the auditors test information systems controls to the extent necessary to address the audit objective?	GAO 8.62							
<b>Provisions of Laws, Regulations, Contracts, and Grant Agreements</b> (see related application guidance GAO 8.69 – 8.70)									

Totals: 0 0 0 (0 of 150 questions answered)

Question #	Question	Standard Reference	Yes	No	N/A	Comments
2.10	Did the auditors identify any provisions of laws, regulations, contracts, and grant agreements that were significant within the context of the audit objectives and assess the risk that noncompliance with provisions of laws, regulations, contracts, and grant agreements could occur?	GAO 8.68				
2.11	Based on the risk assessment required by GAO 8.68, did the auditors design and perform procedures to obtain reasonable assurance of detecting instances of noncompliance with provisions of laws, regulations, contracts, and grant agreements that were significant within the context of the audit objectives?	GAO 8.68				
<b>Fraud</b> (see related application guidance GAO 8.73 – 8.76)						
2.12	Did the auditors:	GAO 8.71				
2.12.a	Assess the risk of fraud occurring that is significant within the context of the audit objectives?	GAO 8.71				
2.12.b	Discuss, among the audit team members, fraud risks, including factors such as individuals' incentives or pressures to commit fraud, the opportunity for fraud to occur, and rationalizations or attitudes that could increase the risk of fraud?	GAO 8.71				
2.12.c	Gather and assess information to identify the risk of fraud that is significant within the scope of the audit objectives or that could affect the findings and conclusions?	GAO 8.71				
2.13	If information came to the auditors' attention indicating that fraud, significant within the context of the audit objectives, may have occurred, did the auditors extend the audit steps and procedures, as necessary, to (1) determine whether fraud had likely occurred and (2) if so, determine its effect on the audit findings?	GAO 8.72				
<b>Identifying Sources of Evidence and the Amount and Type of Evidence Required</b> (see related application guidance GAO 8.79)						
2.14	Did the auditors:	GAO 8.77				
2.14.a	Identify potential sources of information that could be used as evidence?	GAO 8.77				
2.14.b	Determine the amount and type of evidence needed to obtain sufficient, appropriate evidence to address the audit objectives and adequately plan audit work?	GAO 8.77				
2.15	Did the auditors evaluate whether any lack of sufficient, appropriate evidence was caused by internal control deficiencies or other program weaknesses, and whether the lack of sufficient, appropriate evidence could be the basis for audit findings?	GAO 8.78				
<b>Using the Work of Others</b> (see related application guidance GAO 8.83 – 8.86)						
2.16	Did the auditors determine whether other auditors had conducted, or were conducting, audits that could be relevant to the current audit objectives?	GAO 8.80				
2.17	If auditors use the work of other auditors, did the auditors:	GAO 8.81				
2.17.a	Perform procedures that provided a sufficient basis for using that work?	GAO 8.81				
2.17.b	Obtain evidence concerning the other auditors' qualifications and independence?	GAO 8.81				
2.17.c	Determine whether the scope, quality, and timing of the audit work performed by the other auditors could be relied on in the context of the current audit objectives?	GAO 8.81				
2.18	If the engagement team used the work of a specialist, was the independence of the specialist assessed?	GAO 8.82				

**3 | Fieldwork Standards – Supervision** (see related application guidance GAO 8.88 – 8.89)

Totals:

0

0

0

(0 of 150 questions answered)

Question #	Question	Standard Reference	Yes	No	N/A	Comments
3.1	Is there evidence in the audit documentation that auditors properly supervised audit staff?	GAO 8.87				
<b>4   Fieldwork Standards - Evidence</b>						
<i>Evidence (see related application guidance GAO 8.95 – 8.107)</i>						
4.1	Did the auditors obtain sufficient, appropriate evidence to provide a reasonable basis for addressing the audit objectives and supporting their findings and conclusions?	GAO 8.90				
4.2	In assessing the appropriateness of evidence, did the auditors assess whether the evidence was relevant, valid, and reliable?	GAO 8.91				
4.3	In determining the sufficiency of evidence, did the auditors determine whether enough appropriate evidence existed to address the audit objectives and support the findings and conclusions to the extent that would persuade a knowledgeable person that the findings were reasonable?	GAO 8.92				
4.4	If the auditors used information provided by officials of the audited entity as part of their evidence, did the auditors determine what the officials of the audited entity or other auditors did to obtain assurance over the reliability of the information?	GAO 8.93				
4.5	Did the auditors evaluate the objectivity, credibility, and reliability of testimonial evidence?	GAO 8.94				
<i>Overall Assessment of Evidence (see related application guidance GAO 8.111 – 8.115)</i>						
4.6	Did the auditors perform and document an overall assessment of the collective evidence used to support findings and conclusions, including the results of any specific assessments performed to conclude on the validity and reliability of specific evidence?	GAO 8.108				
4.7	When assessing the overall sufficiency and appropriateness of evidence, did the auditors evaluate the expected significance of evidence to the audit objectives, findings, and conclusions; available corroborating evidence; and the level of audit risk?	GAO 8.109				
4.8	If auditors concluded that evidence was not sufficient or appropriate, did the auditors not use such evidence as support for findings and conclusions?	GAO 8.109				
4.9	If auditors identified limitations or uncertainties in evidence that was significant to the audit findings and conclusions, did the auditors perform additional procedures, as appropriate?	GAO 8.110				
<i>Findings (see related application guidance GAO 8.118 – 8.131)</i>						
4.10	If the auditors identified findings, did the auditors plan and perform procedures to develop the criteria, condition, cause, and effect of the findings to the extent that these elements were relevant and necessary to achieve the audit objectives?	GAO 8.116				
4.11	Did the auditors consider internal control deficiencies in their evaluation of identified findings when developing the cause element of the identified findings when internal control was significant to the audit objectives?	GAO 8.117				
<b>5   Fieldwork Standards – Audit Documentation (see related application guidance GAO 8.137 – 8.139)</b>						

			Totals:			0	0	0	(0 of 150 questions answered)
Question #	Question	Standard Reference	Yes	No	N/A	Comments			
5.1	Did the auditors prepare audit documentation relating to planning, conducting and reporting, in sufficient detail to enable an experienced auditor, having no previous connection to the audit, to understand from the audit documentation the nature, timing, extent, and results of audit procedures performed; the evidence obtained; and its source and the conclusions reached, including evidence that supports the auditors' significant judgments and conclusions?	GAO 8.132							
5.2	Did the auditors prepare audit documentation that contains evidence that supported the findings, conclusions, and recommendations before they issued their report?	GAO 8.133							
5.3	Did the auditor design the form and content of audit documentation to meet the circumstances of the audit?	GAO 8.134							
5.4	Did the auditor document the following:	GAO 8.135							
5.4.a	The objectives, scope, and methodology of the audit?	GAO 8.135a							
5.4.b	The work performed and evidence obtained to support significant judgments and conclusions, as well as expectations in analytical procedures, including descriptions of transactions and records examined?	GAO 8.135b							
5.4.c	Supervisory review, before the audit report is issued, of the evidence that supports findings, conclusions, and recommendations contained in the audit report?	GAO 8.135c							
5.5	If the auditors did not comply with applicable GAGAS requirements because of law, regulation, scope limitations, restrictions on access to records, or other issues affecting the audit, did the auditor document the departure from the GAGAS requirements and the impact on the audit and on the auditors' conclusions?	GAO 8.136							
<b>6   Reporting Standards – Reporting Auditors' Compliance with GAGAS</b>									
6.1	If the auditors complied with all applicable GAGAS requirements, did the auditors use the language below, which represents an unmodified GAGAS compliance statement, in the audit report? <i>We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.</i>	GAO 9.03							
6.2	If the auditors did not comply with all applicable GAGAS requirements, did the auditors include a modified GAGAS compliance statement in the audit report that included either (1) the language in GAO 9.03, modified to indicate the requirements that were not followed, or (2) language indicating that the auditors did not follow GAGAS?	GAO 9.05							
<b>7   Reporting Standards – Report Format (see related application guidance GAO 9.08 – 9.09)</b>									
7.1	Did the auditors issue an audit report that communicated the results of the performance audit?	GAO 9.06							
7.2	Was the audit report issued in writing or in some other retrievable form?	GAO 9.07							
<b>8   Reporting Standards – Report Content</b>									

Totals: 0 0 0 (0 of 150 questions answered)

Question #	Question	Standard Reference	Yes	No	N/A	Comments
<b>Report Content, Including Objectives, Scope, and Methodology</b> (see related application guidance GAO 9.15 – 9.17)						
8.1	Does the audit report contain (1) the objectives, scope, and methodology of the audit; (2) the audit results, including findings, conclusions, and recommendations, as appropriate; (3) a summary of the views of responsible officials; and (4) if applicable, the nature of any confidential or sensitive information omitted?	GAO 9.10				
8.2	Were the audit objectives communicated in the audit report in a clear, specific, neutral, and unbiased manner that included relevant assumptions?	GAO 9.11				
8.3	If the audit objectives were limited but users could infer broader objectives, did the auditors state in the audit report that certain issues were outside the scope of the audit in order to avoid potential misunderstanding?	GAO 9.11				
8.4	In reporting the scope, did the auditors:	GAO 9.12				
8.4.a	Describe the scope of the work performed and any limitations, including issues that would be relevant to likely users, so that report users could reasonably interpret the findings, conclusions, and recommendations in the report without being misled?	GAO 9.12				
8.4.b	Report any significant constraints imposed on the audit approach by information limitations or scope impairments, including denials of, or excessive delays in, access to certain records or individuals?	GAO 9.12				
8.5	In describing the work performed to address the audit objectives and support the reported findings and conclusions, did the auditors, as applicable, explain the relationship between the population and the items tested; identify entities, geographic locations, and the period covered; report the kinds and sources of evidence; and explain any significant limitations or uncertainties based on the auditors’ overall assessment of the sufficiency and appropriateness of the evidence in the aggregate?	GAO 9.13				
8.6	In reporting audit methodology, did the auditors:	GAO 9.14				
8.6.a	Explain how the completed audit work supported the audit objectives, including the evidence-gathering and evidence-analysis techniques, in sufficient detail to allow knowledgeable users of their reports to understand how the auditors addressed the audit objectives?	GAO 9.14				
8.6.b	Identify significant assumptions made in conducting the audit; describe comparative techniques applied; describe the criteria used; and, when the results of sample testing significantly supported the auditors’ findings, conclusions, or recommendations, describe the sample design and state why the design was chosen, including whether the results could be projected to the intended population?	GAO 9.14				
<b>Reporting Findings, Conclusions, and Recommendations</b> (see related application guidance GAO 9.24 – 9.28)						
8.7	Does the audit report:	GAO 9.18				
8.7.a	Present sufficient, appropriate evidence to support the findings and conclusions in relation to the audit objectives?	GAO 9.18				
8.7.b	Provide recommendations for corrective action if findings are significant within the context of the audit objectives?	GAO 9.18				

Totals: 0 0 0 (0 of 150 questions answered)

Question #	Question	Standard Reference	Yes	No	N/A	Comments
8.8	Were the conclusions based on the audit objectives and the audit findings?	GAO 9.19				
8.9	Does the report describe limitations or uncertainties with the reliability or validity of evidence if (1) the evidence was significant to the findings and conclusions within the context of the audit objectives and (2) such disclosure was necessary to avoid misleading the report users about the findings and conclusions?	GAO 9.20				
8.10	Does the report describe the limitations or uncertainties regarding evidence in conjunction with the findings and conclusions, in addition to describing those limitations or uncertainties as part of the objectives, scope, and methodology?	GAO 9.20				
8.11	Did the auditors place their findings in perspective by describing the nature and extent of the issues being reported and the extent of the work performed that resulted in the findings?	GAO 9.21				
8.12	To give the reader a basis for judging the prevalence and consequences of the findings, did the auditors, as appropriate, relate the instances identified to the population or the number of cases examined and quantify the results in terms of dollar value, or other measures?	GAO 9.21				
8.13	Did the auditors limit their conclusions appropriately if the results could not be projected?	GAO 9.21				
8.14	When reporting on the results of their work, did the auditors disclose significant facts relevant to the objectives of their work and known to them that if not disclosed could have mislead knowledgeable users, misrepresented the results, or concealed significant improper or illegal practices?	GAO 9.22				
8.15	Did the auditors, if feasible, recommend actions to correct deficiencies and other findings identified during the audit to improve programs and operations if the potential for improvement in programs, operations, and performance was substantiated by the reported findings and conclusions?	GAO 9.23				
8.16	Did the recommendations flow logically from the findings and conclusions, were they directed at resolving the cause of identified deficiencies and findings, and did they clearly state the actions recommended?	GAO 9.23				
<b>Reporting on Internal Control</b> (see related application guidance GAO 9.32 – 9.34)						
8.17	If internal control was significant within the context of the audit objectives, did the audit report include (1) the scope of the auditors' work on internal control and (2) any deficiencies in internal control that were significant within the context of the audit objectives and based upon the audit work performed?	GAO 9.29				
8.18.a	<b>(NOTE: if the Technical Update to the Yellow Book has been implemented, mark this question N/A and answer the question below. The effective date of the Technical Update is April 15, 2021.)</b> If some but not all internal control components were significant to the audit objectives, did the auditors identify as part of the scope those internal control components and underlying principles that were significant to the audit objectives?	GAO 9.30				

Totals: 0 0 0 (0 of 150 questions answered)

Question #	Question	Standard Reference	Yes	No	N/A	Comments
8.18.b	<b>(NOTE: if the Technical Update to the Yellow Book has NOT been implemented, mark this question N/A and answer the question above. The effective date of the Technical Update is April 15, 2021.)</b> When reporting on the scope of their work on internal control, did the auditors identify the scope of internal control assessed to the extent necessary for report users to reasonably interpret the findings, conclusions, and recommendations in the audit report?	GAO 9.30				
8.19	If auditors detected deficiencies in internal control that were not significant to the objectives of the audit but warranted the attention of those charged with governance, did the auditors:	GAO 9.31				
8.19.a	Include those deficiencies either in the report or communicate those deficiencies in writing to audited entity officials?	GAO 9.31				
8.19.b	Refer to that written communication in the audit report if the written communication was separate from the audit report?	GAO 9.31				
<b>Reporting on Noncompliance with Provisions of Laws, Regulations, Contracts, and Grant Agreements</b> (see related application guidance GAO 9.37 – 9.39)						
8.20	If the auditors concluded, based on sufficient, appropriate evidence, that noncompliance with provisions of laws, regulations, contracts, and grant agreements either had occurred or was likely to have occurred that was significant within the context of the audit objectives, did the auditors report the matter as a finding?	GAO 9.35				
8.21	Did the auditors communicate findings in writing to audited entity officials if the auditors detected instances of noncompliance with provisions of laws, regulations, contracts, and grant agreements that were not significant within the context of the audit objectives but warranted the attention of those charged with governance?	GAO 9.36				
<b>Reporting on Instances of Fraud</b> (see related application guidance GAO 9.42 – 9.44)						
8.22	If the auditors concluded, based on sufficient, appropriate evidence, that fraud either had occurred or was likely to have occurred that was significant to the audit objectives, did the auditors report the matter as a finding?	GAO 9.40				
8.23	If the auditors detected instances of fraud that were not significant within the context of the audit objectives but warranted the attention of those charged with governance, did the auditors communicate those findings in writing to audited entity officials?	GAO 9.41				
<b>Reporting Findings Directly to Parties Outside the Audited Entity</b> (see related application guidance GAO 9.48 – 9.49)						
8.24	Did the auditors report known or likely noncompliance with provisions of laws, regulations, contracts, and grant agreements or fraud directly to parties outside the audited entity in the following two circumstances, even if they had resigned or been dismissed from the audit prior to its completion:	GAO 9.45, 9.46				
8.24.a	If the audited entity management failed to satisfy legal or regulatory requirements to report such information to external parties specified in law or regulation, did the auditors communicate the failure to report such information to those charged with governance. If the audited entity still did not report this information to the specified external parties as soon as practicable after the auditors' communication with those charged with governance, did the auditors report the information directly to the specified external parties?	GAO 9.45a				

Totals: 0 0 0 (0 of 150 questions answered)

Question #	Question	Standard Reference	Yes	No	N/A	Comments
8.24.b	If the audited entity management failed to take timely and appropriate steps to respond to noncompliance with provisions of laws, regulations, contracts, and grant agreements or instances of fraud that (1) were likely to have a significant effect on the subject matter and (2) involved funding received directly or indirectly from a government agency, did the auditors first report management's failure to take timely and appropriate steps to those charged with governance? If the audited entity still did not take timely and appropriate steps as soon as practicable after the auditors' communication with those charged with governance, did the auditors report the audited entity's failure to take timely and appropriate steps directly to the funding agency?	GAO 9.45b				
8.25	Did the auditors obtain sufficient, appropriate evidence, such as confirmation from outside parties, to corroborate representations by audited entity management that it had reported audit findings in accordance with provisions of laws, regulations, or funding agreements?	GAO 9.47				
8.26	If auditors were unable to obtain sufficient, appropriate evidence to corroborate representations by audited entity management that it had reported audit findings in accordance with laws, regulations, or funding agreements, did the auditors report such information directly to specified external parties and/or the funding agency?	GAO 9.47				

**9 | Obtaining the Views of Responsible Officials** (see related application guidance GAO 9.54 – 9.55)

9.1	Did the auditors obtain and report the views of responsible officials of the audited entity concerning the findings, conclusions, and recommendations included in the audit report, as well as any planned corrective actions?	GAO 9.50				
9.2	If the auditors received written comments from the responsible officials in response to the auditors' findings, did the auditors include in their report a copy of the officials' written comments or a summary of the comments received?	GAO 9.51				
9.3	If the responsible officials provided oral comments only, did the auditors prepare a summary of the oral comments, provide a copy of the summary to the responsible officials to verify that the comments were accurately represented, and include the summary in their report?	GAO 9.51				
9.4	If the audited entity's comments were inconsistent or in conflict with the findings, conclusions, or recommendations in the draft report, did the auditors:	GAO 9.52				
9.4.a	Evaluate the validity of the audited entity's comments?	GAO 9.52				
9.4.b	Explain in the report their reasons for disagreement, if the auditors disagreed with the comments?	GAO 9.52				
9.4.c	Modify their report as necessary if the auditors found the comments valid and supported by sufficient, appropriate evidence?	GAO 9.52				
9.5	If the audited entity refused to provide comments or was unable to provide comments within a reasonable period of time, and the auditors issued the report without receiving the comments from the audited entity, did the auditors indicate in the report that the audited entity did not provide comments?	GAO 9.53				

**10 | Reporting Standards – Report Distribution** (see related application guidance GAO 9.60)

Totals: 0 0 0 (0 of 150 questions answered)

Question #	Question	Standard Reference	Yes	No	N/A	Comments
10.1	If the report distribution was limited, did the auditors document the limitation on report distribution?	GAO 9.56				
10.2	Unless report distribution was specifically limited by the terms of the engagement, law, or regulation, was the audit report made available to the public?	GAO 9.56				
10.3	Was the audit report distributed to those charged with governance, to the appropriate audited entity officials, and to the appropriate oversight bodies or organizations requiring or arranging for the audits?	GAO 9.58				
10.4	Was the audit report distributed to, as appropriate, other officials who have legal oversight authority or who may be responsible for acting on audit findings and recommendations and to others authorized to receive such reports?	GAO 9.58				
<b>11   Reporting Standards – Reporting Confidential and Sensitive Information</b> (see related application guidance GAO 9.64 – 9.67)						
11.1	If certain pertinent information was prohibited from public disclosure or was excluded from a report because of its confidential or sensitive nature, did the report disclose that certain information was omitted and the circumstances that made the omission necessary?	GAO 9.61				
11.2	If circumstances called for the omission of certain information, did the auditors evaluate whether this omission could distort the audit results or conceal improper or illegal practices, and revise the report language as necessary to avoid report users drawing inappropriate conclusions from the information presented?	GAO 9.62				
11.3	If the audit organization is subject to public records laws, did the auditors determine whether public records laws could affect the availability of classified or limited use reports and whether other means of communicating with management and those charged with governance would be more appropriate?	GAO 9.63				
<b>12   Discovery of Insufficient Evidence after Report Release</b>						
12.1	If after the report was issued, the auditors discovered that they did not have sufficient, appropriate evidence to support the reported findings or conclusions, did the auditors:	GAO 9.68				
12.1.a	Communicate in the same manner as that used to originally distribute the report to those charged with governance, the appropriate officials of the audited entity, the appropriate officials of the entities requiring or arranging for the audits, and other known users, so that they did not continue to rely on the findings or conclusions that were not supported?	GAO 9.68				
12.1.b	Remove the report from their publicly accessible website (if previously posted) and post a public notification that the report was removed?	GAO 9.68				
12.1.c	Determine whether to perform the additional audit work necessary to either reissue the report, including any revised findings or conclusions, or repost the original report if the additional audit work does not result in a change in findings or conclusions?	GAO 9.68				
<b>13   Independence</b> (see related application guidance GAO 3.21 – 3.25)						
13.1	In all matters relating to the GAGAS engagement, were the auditors and the audit organization independent from the audited entity during the subject matter period and period of professional engagement?	GAO 3.18, 3.20				

Totals: 0 0 0 (0 of 150 questions answered)

Question #	Question	Standard Reference	Yes	No	N/A	Comments
<b>GAGAS Conceptual Framework Approach to Independence</b> (see related application guidance GAO 3.35 – 3.58, 3.61 – 3.63)						
13.2	Did the auditors use professional judgment and apply the conceptual framework at the audit organization, engagement team, and individual auditor levels to:	GAO 3.27, 3.29, 3.30				
13.2.a	Identify threats to independence, including evaluating the following broad categories:	GAO 3.27a				
13.2.a.1	Self-interest threat?	GAO 3.30a				
13.2.a.2	Self-review threat?	GAO 3.30b				
13.2.a.3	Bias threat?	GAO 3.30c				
13.2.a.4	Familiarity threat?	GAO 3.30d				
13.2.a.5	Undue influence threat?	GAO 3.30e				
13.2.a.6	Management participation threat?	GAO 3.30f				
13.2.a.7	Structural threat?	GAO 3.30g				
13.2.b	Evaluate the significance of threats identified, both individually and in the aggregate?	GAO 3.27b				
13.2.c	Apply safeguards as necessary to eliminate the threats or reduce them to an acceptable level?	GAO 3.27c				
13.3	If the auditors became aware of new information or changes in facts and circumstances that could affect whether a threat had been eliminated or reduced to an acceptable level, did the auditors reevaluate threats to independence, including any safeguards applied?	GAO 3.28				
13.4	Did the auditors determine whether identified threats to independence were at an acceptable level or had been eliminated or reduced to an acceptable level, considering both qualitative and quantitative factors to determine the significance of a threat?	GAO 3.31				
13.5	In instances where threats to independence are not at an acceptable level, thereby requiring the application of safeguards, did the auditors document the threats identified and whether appropriate safeguards could be applied to eliminate the threats or reduce them to an acceptable level?	GAO 3.32, 3.33, 3.107a				
13.6	If the auditors initially identified a threat to independence after the audit report was issued, did the auditors evaluate the threat’s effect on the engagement and on GAGAS compliance?	GAO 3.34				
13.7	If the newly identified threat’s effect on the engagement would have resulted in the audit report being different from the report issued had the auditors been aware of it, did the auditors:	GAO 3.34				
13.7.a	Communicate, in the same manner as that used to originally distribute the report, to those charged with governance, the appropriate officials of the audited entity, the appropriate officials of the audit organization requiring or arranging for the engagements, and other known users, so that they did not continue to rely on findings or conclusions that were affected by the threat to independence?	GAO 3.34				
13.7.b	Remove the report from the auditors’ publicly accessible website and post a public notification that the report was removed (if previously posted)?	GAO 3.34				

Totals: 0 0 0 (0 of 150 questions answered)

Question #	Question	Standard Reference	Yes	No	N/A	Comments
13.7.c	Determine whether to perform additional engagement work necessary to reissue the report, including any revised findings or conclusions, or to repost the original report if the additional engagement work did not result in a change in findings or conclusions?	GAO 3.34				
13.8	In instances where the audit organization is required to perform a nonaudit service that impairs the auditors' independence with respect to a required audit, was the nature of the threat included in the audit report and the GAGAS compliance statement modified?	GAO 3.60, 3.84				
<b>14   Professional Judgment</b> (see related application guidance GAO 3.110 – 3.117)						
14.1	After completing the review of this audit, can you conclude that the auditors used professional judgment in planning and conducting the engagement, and in reporting the results?	GAO 3.109				
<b>15   Competence</b> (see related application guidance GAO 4.05 – 4.11, 4.13 – 4.15)						
15.1	Based on the work performed, does it appear that the auditors assigned to conduct the engagement collectively possessed (before beginning work on the engagement) the competence needed to address the engagement objectives and perform their work in accordance with GAGAS?	GAO 4.02, 4.03				
15.2	If specialists assisted the engagement team, based on the work performed, does it appear they were qualified and competent in their areas of specialization?	GAO 4.12				
<b>16   Quality Control and Assurance</b> (see related application guidance GAO 5.03)						
16.1	Does it appear that the organization adhered to its system of quality control in the conduct of this engagement?	GAO 5.02				
<b>Engagement Performance</b> (see related application guidance GAO 5.26 – 5.35)						
16.2	If auditors changed the engagement objectives during the engagement, did the auditors document the revised engagement objectives and the reasons for the change?	GAO 5.23				
16.3	If difficult or contentious issues arose among engagement team members during the course of conducting a GAGAS engagement:	GAO 5.24				
16.3.a	Did appropriate consultation take place?	GAO 5.24a				
16.3.b	Did both the individual seeking consultation and the individual consulted document and agree upon the nature and scope of such consultations?	GAO 5.24b				
16.3.c	Were the conclusions resulting from consultations documented, understood by both the individual seeking consultation and the individual consulted, and implemented?	GAO 5.24c				
<b>Supervision</b> (see related application guidance GAO 5.38 – 5.41)						
16.4	Did the auditors communicate the identity and role of the engagement partner or director to management and those charged with governance of the audited entity?	GAO 5.37a				

Totals:

0

0

0

(0 of 150 questions answered)

Question #	Question	Standard Reference	Yes	No	N/A	Comments
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## **Conclusions of the External Peer Review for Performance Audits**

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### **Purpose**

This document provides guidance to the external peer review team in reaching conclusions about the audit organization's system of quality control. In drawing its conclusions, the review team should remember that any matters identified in the organization's quality control policies and procedures or compliance therewith cannot be viewed in isolation.

Matters should be considered for their significance in relation to the organization's overall quality control system, its organizational structure, and the nature of its audit function. The review team should consider the nature, cause, pattern, significance, frequency, and pervasiveness of matters noted in the review to evaluate whether the reviewed organization has complied with its quality control policies and procedures in all material respects and a peer review rating of *pass* is appropriate, or whether a *pass with deficiency(ies)* or *fail* rating is appropriate. In considering instances of noncompliance, the review team should consider whether the noncompliance resulted from policies or procedures that exceed policies and procedures that would be required in the circumstances to assure compliance with applicable professional standards.

Compliance, for the purpose of determining reasonable assurance with professional standards, means adherence to a prescribed quality control policy or procedure in all material respects; it does not imply adherence to a prescribed policy or procedure in every case. Variance in individual performance and professional interpretation affects the degree of compliance with an organization's prescribed quality control policies and procedures. Adherence to all policies and procedures in every case may not be possible; nevertheless, a high degree of compliance is to be expected.

### **Instructions for Completing the Form**

For each GAGAS section specified below in the Conclusions document, the review team is asked to refer to and draw conclusions from the information compiled on the "Matters for Further Consideration" form. Matters that have been cleared on the MFC Form are not brought forward to this document. Further, matters that the review team has determined will be discussed verbally with the audit organization are also not brought forward to this document. These matters may be discussed with the state audit organization at the exit conference. At the request of the state audit organization, summary notes or an outline of these matters may be provided at the exit conference to facilitate the discussion of these issues.

For matters brought forward to the Conclusions document, the review team should determine whether those matters could prevent reasonable assurance of performing and reporting in compliance with professional standards overall, part(s) of one or more individual standards, or are of lesser significance but still should be communicated to the organization.

In evaluating the matters brought forward to the Conclusions document, the review team must consider the pattern and pervasiveness of matters and their implications for compliance with the audit organization's system of quality control as a whole, in addition to their nature, causes, and relative importance in the specific circumstances in which they were observed. The review team's first task is to try to determine why the matters occurred. In some cases, the *design* of the audit organization's system of quality control may be deficient (for example, when there is inadequate supervision of engagement planning). In other cases, there may be a pattern of *noncompliance* with a quality control policy or procedure. That increases the possibility that the audit organization might not perform and/or report in conformity with applicable professional standards in all material respects. This also means that the reviewer must consider carefully whether the matter(s) individually or in the aggregate is a deficiency or a significant deficiency and whether there is the need to issue a peer review report with a peer review rating of *pass with deficiencies* or *fail*.

On the other hand, the types of matters noted may be individually different, not individually significant, and not directly traceable to the design of or compliance with a particular quality control policy or procedure. This may lead the reviewer to the conclusion that the matters were isolated cases of human error that should not result in a peer review report with a peer review rating of *pass with deficiencies* or *fail*.

Finally, the review team is asked to conclude whether the organization's overall quality control system should receive a peer review report rating of *pass*, *pass with deficiency(ies)* or *fail*. Findings not rising to the level of a deficiency or significant deficiency should be reported to the state audit organization on an FFC form.

Guidance for reporting on external peer reviews is included in the "Policies and Procedures for the NSAA External Peer Review Program" (section II of the Peer Review Manual). The "Reporting Matrix" from section II has been included in this document for guidance in making decisions on the various reporting options. The review team should refer to section II and the Reporting Matrix as it reaches conclusions on the review.

**REPORTING MATRIX  
GENERAL GUIDANCE FOR REPORTING CONSIDERATIONS**

<b>Items noted during peer review</b>	<b>Severity of design/compliance matters</b>	<b><i>In general, the design, including documentation and communication, of the organization's system of quality control was...</i></b>	<b><i>In general, compliance with the organization's system of quality control was...</i></b>	<b><i>In general, the design/compliance matters noted related to...</i></b>	<b><i>In general, the compliance matters noted were....</i></b>	<b><i>Considering the overall design and compliance, the organization's system of quality control....</i></b>	<b><i>Type of peer review report to issue</i></b>
Matter <i>Documented on an MFC form</i> (See page II-20)	Isolated or insignificant	Adequate for complying with applicable professional standards <sup>(a)</sup> overall	Sufficient on overall system	Part(s) of at least one standard	Isolated occurrences (often related to only one or a few engagements)	Provided a reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects	Pass
Finding <i>Documented on an FFC form</i> (See pages II-21)	Moderate	Adequate for complying with applicable professional standards overall; however, inadequate for part(s) of one or more individual standards	Sufficient on overall system; however, insufficient for part(s) of at least one standard	Part(s) of at least one standard	Recurring and pervasive (in multiple engagements reviewed)	After considering the findings identified, provided a reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects	Pass
Deficiency <i>Communicated in the report</i> (See pages II-21)	Serious	Adequate for complying with applicable professional standards overall; however, inadequate for substantially one standard or several parts of several standards <sup>(b)</sup>	Sufficient on overall system; however, insufficient for one standard or several parts of several standards	Substantially one standard or several parts of several standards	Recurring and pervasive (in multiple engagements reviewed)	Provided a reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects with the exception of a certain deficiency or deficiencies that are described in the report	Pass with deficiencies
Significant Deficiency <i>Communicated in the report</i> (See page II-21)	Severe	Inadequate for complying with applicable professional standards overall <sup>(b)</sup>	Insufficient on overall system	Several standards	Recurring and pervasive (in multiple engagements reviewed)	Did not provide a reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects	Fail

- (a) For purposes of this matrix, "standards" includes individual government auditing standards, individual AU-C Sections (e.g., AU-C 230), and individual AT-C Sections.
- (b) In the absence of matters noted in the engagements reviewed, the reviewer would normally conclude that matters noted in the design of the QC system should only be reported as a finding and not elevated to a deficiency or significant deficiency.

## Conclusions of the External Peer Review for Performance Audits

### GAGAS General Standards

GAGAS establishes general standards and provides guidance for performing performance audits under generally accepted government auditing standards. These general standards, along with the overarching ethical principles of GAGAS (GAO 3.02-.16) establish a foundation for the credibility of auditors' work. These general standards relate to:

- Independence (GAO 3.17-.108)
- Professional Judgment (GAO 3.109-.117)
- Competence (GAO 4.02-.15)
- Continuing Professional Education (GAO 4.16-.53)
- Quality Control and Assurance (GAO 5.02-.59)
- External Peer Review (GAO 5.60-.95)

1. If, after considering the information compiled on the "Matters for Further Consideration" form, the team concludes that the organization's system of quality control for these professional standards is suitably designed and complied with to provide the audit organization with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects, check here \_\_\_\_\_.
  
2. If the team concludes that the matters identified in the organization's system of quality control could adversely affect compliance with these professional standards or part(s) thereof, or are of lesser significance but still should be communicated, summarize those matters below and indicate how the team would report on them. (Note: These conclusions may be preliminary, depending on the types of matters identified for other professional standards and the existence of compensating policies or procedures.)

MFC#	Summary of matters to be communicated to the organization, either in the report or on an FFC form (as applicable). Explain the significance of the matters being commented on.	Reporting Implications (Check One)		
		Represents a severe, recurring, and pervasive matter. Does not provide reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Include as a significant deficiency in a peer review report with a rating of <i>fail</i> .	Represents a serious, recurring, and pervasive matter. Provides reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects with the exception of a certain deficiency(ies). Include as a deficiency(ies) in a peer review report with a rating of <i>pass with deficiency(ies)</i> .	Represents a matter of moderate significance that is recurring and pervasive. After considering the findings identified, provides reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Report as a finding on an FFC form.

**Conclusions of the External  
Peer Review for Performance Audits**

**GAGAS Fieldwork Standards for Performance Audits**

- Planning (GAO 8.03-.35)
- Conducting the Engagement (GAO 8.36-.86)
- Supervision (GAO 8.87-.89)
- Evidence (GAO 8.90-.131)
- Audit Documentation (GAO 8.132-.141)

1. If, after considering the information compiled on the “Matters for Further Consideration” form, the team concludes that the organization’s system of quality control for these professional standards is suitably designed and complied with to provide the audit organization with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects, check here \_\_\_\_\_.
  
2. If the team concludes that the matters identified in the organization’s system of quality control could adversely affect compliance with these professional standards or part(s) thereof, or are of lesser significance but still should be communicated, summarize those matters below and indicate how the team would report on them. (Note: These conclusions may be preliminary, depending on the types of matters identified for other professional standards and the existence of compensating policies or procedures.)

MFC#	Summary of matters to be communicated to the organization, either in the report or on an FFC form (as applicable). Explain the significance of the matters being commented on.	Reporting Implications (Check One)		
		Represents a severe, recurring, and pervasive matter. Does not provide reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Include as a significant deficiency in a peer review report with a rating of <i>fail</i> .	Represents a serious, recurring, and pervasive matter. Provides reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects with the exception of a certain deficiency(ies). Include as a deficiency(ies) in a peer review report with a rating of <i>pass with deficiency(ies)</i> .	Represents a matter of moderate significance that is recurring and pervasive. After considering the findings identified, provides reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Report as a finding on an FFC form.

**Conclusions of the External  
Peer Review for Performance Audits**

**GAGAS Reporting Standards for Performance Audits**

- Reporting Auditors' Compliance with GAGAS (GAO 9.03-.05)
- Report Format (GAO 9.06-.09)
- Report Content (GAO 9.10-.49)
- Obtaining the Views of Responsible Officials (GAO 9.50-.55)
- Report Distribution (GAO 9.56-.60)
- Reporting Confidential or Sensitive Information (GAO 9.61-.67)
- Discovery of Insufficient Evidence after Report Release (GAO 9.68)

1. If, after considering the information compiled on the "Matters for Further Consideration" form, the team concludes that the organization's system of quality control for these professional standards is suitably designed and complied with to provide the audit organization with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects, check here \_\_\_\_\_.
  
2. If the team concludes that the matters identified in the organization's system of quality control could adversely affect compliance with these professional standards or part(s) thereof, or are of lesser significance but still should be communicated, summarize those matters below and indicate how the team would report on them. (Note: These conclusions may be preliminary, depending on the types of matters identified for other professional standards and the existence of compensating policies or procedures.)

MFC#	Summary of matters to be communicated to the organization, either in the report or on an FFC form (as applicable). Explain the significance of the matters being commented on.	Reporting Implications (Check One)		
		Represents a severe, recurring, and pervasive matter. Does not provide reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Include as a significant deficiency in a peer review report with a rating of <i>fail</i> .	Represents a serious, recurring, and pervasive matter. Provides reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects with the exception of a certain deficiency(ies). Include as a deficiency(ies) in a peer review report with a rating of <i>pass with deficiency(ies)</i> .	Represents a matter of moderate significance that is recurring and pervasive. After considering the findings identified, provides reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Report as a finding on an FFC form.

**Guidance for Reporting the  
Results of the External Peer Review**

This final section is designed to guide the external peer review team in reaching an overall conclusion about the audit organization's system of quality control.

1. Considering the review team's work during this review and the conclusions drawn in this document – both individually and collectively – what type of peer review report does the review team conclude should be issued? (Check one.)

**a. A peer review rating of *pass* \_\_\_\_\_**

A report with a peer review rating of *pass* should be issued when the review team concludes that the reviewed audit organization's system of quality control has been suitably designed and complied with during the period reviewed to provide the audit organization with **reasonable assurance** of performing and reporting in conformity with applicable professional standards in all material respects.

**b. A peer review rating of *pass with deficiencies* \_\_\_\_\_**

A report with a peer review rating of *pass with deficiency(ies)* should be issued when the review team concludes that the audit organization's system of quality control has been suitably designed and complied with during the period reviewed to provide the audit organization with **reasonable assurance** of performing and reporting in conformity with applicable professional standards in all material respects with the exception of a certain deficiency or deficiencies that are described in the report.

**c. A peer review rating of *fail* \_\_\_\_\_**

A report with a peer review rating of *fail* should be issued when the review team has identified significant deficiencies and concludes that the audit organization's system of quality control is not suitably designed to provide the audit organization with **reasonable assurance** of performing and reporting in conformity with applicable professional standards in all material respects or the audit organization has not complied with its system of quality control to provide the audit organization with **reasonable assurance** of performing and reporting in conformity with applicable professional standards in all material respects.

2. In documenting findings, the team should prepare an FFC form(s) for matters that result from a condition in the reviewed audit organization's system of quality control, or compliance with it, such that there is more than a remote possibility that the reviewed audit organization would not perform and/or report in conformity with applicable professional standards, but which do not rise to the level of a deficiency or significant deficiency.
3. Other matters should be discussed verbally with the state audit organization at the exit conference. At the request of the state audit organization, summary notes or an outline may be provided at the exit conference to facilitate the discussion of these issues.

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## Section VIII

Questions and Answers for Team Members

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October 2013

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**Table of Contents**

**Administrative Policies and Procedures**

Objective ..... 1

Policies and Procedures

    Who establishes policies and procedures for external peer reviews? ..... 1

Responsibilities

    Who has overall responsibility for the NSAA External Peer Review Program? ..... 1

    Who is responsible for administering the NSAA External Peer Review Program? ..... 1

    What are NASACT’s administrative responsibilities? ..... 1

    How does NASACT accomplish its administrative responsibilities? ..... 1

Scope and Objectives

    What is a system of quality control? ..... 2

    What are the scope and objectives of an NSAA external peer review? ..... 2

Initiating and Scheduling the Review

    How does the Coordinator initiate the external peer review process? ..... 2

    Why is the review scheduled when it is? ..... 2

The Review Team

    How was I selected as a team member? ..... 3

    How is the review team formed and organized? ..... 3

    When is the review team organized? ..... 4

    What documentation on the members of the review team is maintained? ..... 4

Travel Policies and Procedures

    How will my travel arrangements be made? ..... 4

    What are the travel policies for the external peer review? ..... 4

    Who is responsible for paying my travel expenses while I participate on this review? ..... 4

    How do I get reimbursed for travel expenses I pay out of my own pocket? ..... 5

    How do my travel expenses affect the cost of the review? ..... 5

Team Member Preparation

    Will I receive any information to read before the review? ..... 5

    How much of my time will the review take? ..... 5

    What types of activities will I be involved in during the review? ..... 5

Recommendations and Evaluations

    Will I participate on other review teams in the future? ..... 6

    Will I have an opportunity to evaluate the external peer review process? ..... 7

**Program Policies and Procedures**

Objective ..... 8

Purpose of Reviews

    Why do state audit organizations review each other? ..... 8

    What is the purpose of the NSAA External Peer Review Program? ..... 8

Eligible Participants

    Which state audit organizations are eligible to participate? ..... 8

Model Quality Control System

    Is there a model quality control system to which I can compare the organization  
    being reviewed? ..... 9

Team Qualifications

    What qualifications are required for reviewers? ..... 9

    May the composition of the review team change before field work begins? ..... 9

Team Responsibilities

    What are the responsibilities of a concurring reviewer? ..... 10

    What are the responsibilities of a team leader? ..... 10

    What are the responsibilities of a team member? ..... 11

Standard Work Program

    Does NSAA provide a standard work program for use in each external peer review? ..... 11

Preliminary Phase of the Review

    What is the purpose of the preliminary phase of the review? ..... 12

**Table of Contents**

What documentation is obtained during the preliminary phase? ..... 12  
What is involved in the preliminary visit of the preliminary phase? ..... 12  
Are any other steps involved in the preliminary phase? ..... 13  
What administrative steps does NASACT perform during the preliminary phase? ..... 13

Field Review  
What is the scope of the field review? ..... 13

Limited-scope Reviews  
Are limited-scope external peer reviews permitted? ..... 14

Access to Audit Information  
Does the review team interview the auditees of the reviewed audit organization? ..... 14  
Does the review team have unlimited access to audit documentation of the reviewed organization? ..... 14

Selecting Engagements for Review  
How do we know which engagements to select for review? ..... 14  
How many engagements or how many audit hours are selected for review? ..... 15

Performing and Documenting the Review  
How do the standard work programs help me perform the field review? ..... 15  
What types of working papers will be prepared during the review? ..... 15  
What happens to the working papers I prepare during the review? ..... 16

Identifying and Evaluating Matters, Findings, Deficiencies, and Significant Deficiencies  
How are matters, findings, deficiencies, and significant deficiencies identified? ..... 16  
How are matters aggregated and evaluated? ..... 18  
How are conclusions formed on the type of peer review report to issue? ..... 20  
What types of peer review reports may be issued? ..... 20

Communicating the Results of the Review  
How are the results of the review communicated to the reviewed audit organization? ..... 22  
What is reported during the exit conference? ..... 22

Handling Disagreements  
How are disagreements within review teams handled? ..... 22  
How are disagreements between the review team and the state audit organization handled? ..... 23

**Documents Used in External Peer Reviews**

Objective ..... 25

Documents  
Are some documents common to all external peer reviews? ..... 25  
What is documented in the Audit Organization Questionnaire? ..... 26  
What is documented in the Audit Staff Questionnaire? ..... 26  
How does the review team use the documentation in the Audit Staff Questionnaire? ..... 26  
What is documented in the Audit Organization’s Quality Control Policies and Procedures and Review Guide? ..... 26  
What is documented in the Guide for Review of Engagements? ..... 27  
What is documented in the Matters for Further Consideration Form? ..... 28  
What is documented in the Conclusions of the External Peer Review? ..... 28  
What is documented in the Findings for Further Consideration Form? ..... 28

**Review of General Standards**

Objective ..... 29

Assessing Compliance with General Standards  
What standards are assessed on every external peer review? ..... 29  
How do I assess compliance with the general standards? ..... 29

**Reviews of Financial Audits**

Objective ..... 31

**Table of Contents**

Documents for Financial Audits  
    How are the documents organized for reviews of financial audits?..... 31

Types of Financial Audits  
    What types of financial audits are contemplated by the NSAA external peer review  
        documents? ..... 31

Assessing Compliance with the Standards Relating to Audit Performance, Documentation and Reporting  
    What standards relating to audit performance, documentation, and reporting are assessed in  
        reviews of financial audits?..... 31

    How do I assess compliance with the standards relating to audit performance, documentation,  
        and reporting of field work and reporting? ..... 32

**Reviews of Attestation Engagements**

Objective ..... 33

Documents for Attestation Engagements  
    How are the documents organized for reviews of attestation engagements? ..... 33

Types of Attestation Engagements  
    What types of attestation engagements are contemplated by the NSAA external peer  
        review documents? ..... 33

Assessing Compliance with the Standards of Field Work and Reporting  
    What standards of field work and reporting are assessed in reviews of attestation  
        engagements? ..... 33

    How do I assess compliance with the standards of field work and reporting? ..... 34

**Reviews of Performance Audits**

Objective ..... 35

Documents for Reviews of Performance Audits  
    How are the documents organized for reviews of performance audits? ..... 35

Assessing Compliance with the Standards of Field Work and Reporting  
    What standards of field work and reporting are assessed in reviews of performance  
        audits? ..... 35

    How do I assess compliance with the standards of field work and reporting? ..... 35

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### **Administrative Policies and Procedures**

#### **Objective**

The objective of this section is to prepare you for the programmatic aspects of an external peer review by eliminating uncertainties about activities ancillary to the review itself. After completing this section, you should be comfortable with administrative matters and ready to concentrate on the review process.

#### **Policies and Procedures**

■ *Who establishes policies and procedures for external peer reviews?*

The National State Auditors Association (NSAA), the American Institute of Certified Public Accountants (AICPA), the Association of Local Government Auditors (ALGA), the Institute of Internal Auditors (IIA), and others have established policies and procedures for external peer reviews. NSAA external peer reviews are conducted in accordance with policies and procedures developed by the NSAA Peer Review Committee and approved by NSAA members. These policies and procedures are documented in the *NSAA External Peer Review Manual* (manual). The policies and procedures have been developed in order to provide detailed guidance in performing and reporting on external peer reviews. The AICPA has also published copyrighted materials for its peer review program. NSAA has adapted pertinent portions of these publications with the permission of the AICPA.

#### **Responsibilities**

■ *Who has overall responsibility for the NSAA External Peer Review Program?*

The Peer Review Committee has the overall responsibility for the external peer review process involving state government audit organizations. Specific functions to be performed by the committee are: (See manual page I-2.)

1. Provide guidance in the form of policies and procedures for performing and reporting on external peer reviews. This process also involves monitoring new professional standards and ensuring that documents used in performing external peer reviews are current.
2. Resolve potential disputes that may arise in the review process and ensure the consistency of NSAA external peer reviews.
3. Coordinate with the AICPA and various federal and local agencies to ensure the adequacy of the NSAA external peer reviews.

■ *Who is responsible for administering the NSAA External Peer Review Program?*

The program is administered by the National Association of State Auditors, Comptrollers and Treasurers (NASACT). NASACT is responsible for the day-to-day operation of the program under the auspices of the NSAA Peer Review Committee.

■ *What are NASACT's administrative responsibilities?*

NASACT is assigned responsibility in three major areas: (See manual page I-2.)

1. Daily administration of the review process
2. Coordination and assignment of review teams
3. Training of review team members

■ *How does NASACT accomplish its administrative responsibilities?*

An individual within NASACT is designated as the Administrator and is responsible for these functions. This individual manages the daily conduct of the external peer review process in compliance with the policies and procedures established by the NSAA Peer Review Committee. Additional responsibilities include the

appropriate distribution of reports, storage and review of working papers, and administration of the financial payment procedures.

Another individual within NASACT has been designated as the Coordinator and assists in carrying out these functions. The Coordinator primarily assists in the organization of the review team, coordination between the review team and the state audit organization, and the establishment of the review team's travel arrangements.

## **Scope and Objectives**

### ■ *What is a system of quality control?*

A system of quality control for an audit organization encompasses the audit organization's leadership, emphasis on performing high quality work, and the organization's policies and procedures designed to provide reasonable assurance of complying with professional standards and applicable legal and regulatory requirements.

### ■ *What are the scope and objectives of an NSAA external peer review?*

An NSAA external peer review is intended to provide a reasonable basis for determining whether, for the period under review, the reviewed state audit organization's system of quality control is (1) suitably designed for the state audit organization, including adequately documented and communicated, and (2) being complied with in order to provide the state audit organization with reasonable assurance of conforming with applicable professional standards. Because of the diverse nature of the NSAA member audit organizations and the differences in scope and objectives of financial audits, attestation engagements, and performance audits, these policies and procedures provide options for NSAA external peer reviews. These options include a review of the audit organization's financial audit, attestation engagement, or performance audit functions or a combined review of the three functions. Also, separate documents have been prepared to guide the reviews of the financial audit, attestation engagement, and performance audit functions. (See manual sections V, VI, and VII.)

## **Initiating and Scheduling the Review**

### ■ *How does the Coordinator initiate the external peer review process?*

The Coordinator is responsible for contacting the team members to introduce them to the overall process and to obtain necessary information for the review. The Coordinator does the following during this initial contact: (See manual page III-11, 29.)

- Confirms the dates of the external peer review and each team member's availability
- Discusses the qualifications of individual team members
- Provides a brief overview of the NSAA External Peer Review Program and the state audit organization being reviewed
- Provides the name and background of the review team leader and concurring reviewer
- Indicates time frames for the review and anticipated working conditions
- Discusses travel policies
- Discusses subsequent contact by the review team leader and the materials to be emailed to team members
- Discusses follow up contact to set up specific travel arrangements
- Obtains current address, phone number, and email address of each team member
- Provides other comments, if necessary

### ■ *Why is the review scheduled when it is?*

Paragraph 3.96 of government auditing standards requires audit organizations to undergo an external peer review once every three years. Subsequent reviews should be completed within three years after the issuance of the most recent review.

From an administrative perspective, the scheduling function is considered a critical element in the external peer review process. The Coordinator prepares two types of schedules:

- A current schedule for external peer reviews conducted to date and those reviews which have been confirmed for next year.
- A planning schedule for reviews to be conducted on a long-range basis, usually three years in advance.

The external peer review on which you are a team member was scheduled by the participating state audit organization and was coordinated administratively with other reviews being conducted at or near the same time.

## **The Review Team**

### ■ *How was I selected as a team member?*

NASACT staff maintain a database of potential team members. Current information on potential team members facilitates the process of assigning team members to the reviews. NASACT staff periodically request the members of NSAA to recommend audit staff personnel to serve on review teams. Potential team members are asked to complete an electronic qualifications form available on the NASACT website. This information is used to populate the database. To be able to participate as a team member, you must be recommended by your audit organization head.

A profile indicating the general background and qualifications of each potential team member is maintained for reference purposes. Specific information retained includes the following:

- Name, organization, address, telephone number, and email address
- State affiliation
- Current position
- Certifications and degrees
- Years of audit experience and years of supervisory experience
- Types of entities audited in the last five years (e.g., state agencies, local governments, colleges, etc.)
- Types of engagements performed in last five years (i.e., financial audits, attestation engagements, performance audits, IT audits)
- Description of performance audit work performed in last five years (e.g., economy and efficiency, program, policy analysis, etc.)
- Use of electronic working paper software
- Previous participation in external peer reviews
- Description of supervisory and auditing experience
- Dates not available for team assignment
- Other comments as needed

A Team Member Qualifications Form (see manual page III-25) has been developed to assist in the accumulation of the information regarding the qualifications of potential team members. The database of potential team members is searchable by the areas of experience noted above. You were selected for this particular review based on your qualifications and experience.

Separate lists or files are also maintained for individuals qualifying as team leaders and concurring reviewers. (See manual page III-10.)

### ■ *How is the review team formed and organized?*

Review teams are composed primarily of state auditors and complemented by federal auditors as needed. The primary role of the federal auditor on a peer review team is to review the state audit organization's Single Audit working papers and report(s). Specialists may be assigned to the review team if expertise in specific areas is required. Individuals assigned to the teams must meet the qualifications for review team members.

The team leader and concurring reviewer should assess the adequacy and experience of those selected to help ensure the team, as a whole, has the necessary expertise to conduct the review. They should contact NASACT staff if any additions, deletions, or substitutions are necessary. Information from the organization to be reviewed also is obtained to help ensure a good **match** between the experience of team members and the type of engagements conducted by the state audit organization. If requested by the state organization being reviewed, federal auditors are assigned from the state's cognizant agency. (See manual page III-10.)

■ *When is the review team organized?*

The team leader and the concurring reviewer should be assigned as soon as possible after the review has been confirmed. The concurring reviewer should be designated at approximately the same time as the team leader in order to provide for immediate assistance to the team leader. After a preliminary visit, if applicable, or discussions with audit organization personnel, the team leader and the concurring reviewer should finalize their risk assessment and determine the number of engagements to be tested. The team leader and concurring reviewer should then determine, with the assistance of the Coordinator, the size and composition of the review team. Selection of the team is typically completed 1.5 to 2.5 months prior to the start of fieldwork. (See manual pages III-6, 10.)

■ *What documentation on the members of the review team is maintained?*

A list of review team members is prepared and furnished to the team leader after the Coordinator has made initial contact with each team member assigned. This list indicates the name, address, telephone number, and email address of the review team members, including the team leader and the concurring reviewer. The team leader uses this list to make his/her contact with team members. A copy of the list is maintained at NASACT to document the composition of the review team.

## **Travel Policies and Procedures**

■ *How will my travel arrangements be made?*

The Coordinator is responsible for making sure the travel arrangements for the review team are complete. The Coordinator handles the hotel reservations, and the NASACT travel agent is responsible for handling airline and car rental reservations (if applicable). Travel arrangements are generally made for the review team for the entire field visit. The Coordinator also ensures the travel arrangements are made for the team leader and the concurring reviewer for the preliminary visit, if applicable. (See manual page III-12, 31.)

■ *What are the travel policies for the external peer review?*

The travel policies of NASACT govern the travel of the external peer review team members. NASACT travel policies have been adapted to specifically address the external peer review experience. These modified travel policies are included in the manual on pages III-31 - III-32.

Reimbursement for meals is based on the federal CONUS per diem rates ([www.gsa.gov](http://www.gsa.gov)) for the city and state where the review is held. This per diem allowance appears reasonable and alleviates the problem of obtaining receipts for meals. Adjustments to the per diem allowance may be made because of the particular locality of the review. However, changes to the per diem allowance require the approval of the Administrator, the Peer Review Committee Chair, and the state audit organization being reviewed. (See manual page III-12.)

■ *Who is responsible for paying my travel expenses while I participate on this review?*

To minimize the travel expense burden of team members and provide a more efficient method for handling the team's travel arrangements, the Coordinator reserves hotel accommodations for the team members and has a master billing sent to NASACT. Airline reservations are made by the NASACT travel agent for team members with direct billing to NASACT. Reservations for rental cars are made by the travel agent, but payment must be made by the team member with responsibility for the car. You are responsible for paying for your meals and incidental expenses while on the review. (See manual page III-31.)

■ *How do I get reimbursed for travel expenses I pay out of my own pocket?*

Typical expenses you pay out of your own pocket include meals (per diem), car rental (if necessary), parking, tips, and airport shuttle. You are reimbursed when you submit a travel expense report. The team leader should ensure that you have a blank expense report. You are responsible for its completion. (See manual page III-12 and III-33.)

■ *How do my travel expenses affect the cost of the review?*

The Coordinator attempts to obtain the lowest possible rates for hotel accommodations and the travel agent attempts to obtain the lowest possible rate for airfares and rental cars. Government rates and discount fares should be attained, whenever reasonably possible. The state audit organization reviewed will be billed for actual travel costs incurred. Therefore, it is in the best interest of the state, as well as the program overall, to contain costs.

The cost of reviews varies depending on the size and functions of an audit organization. Costs include (1) an administrative fee of \$3,500 paid to NASACT and (2) the travel and per diem expenses of those involved in the review. In addition to the actual expenses paid, the state audit organization reviewed is required over a three-year period to furnish experienced, active supervisors and managers equal to the staff resources involved in their external peer review to participate in external peer reviews of other state audit organizations. (See manual page I-1.)

## **Team Member Preparation**

■ *Will I receive any information to read before the review?*

Before leaving your home state, you will receive (via email) copies of pertinent materials to read in advance. These materials generally will include the organization's quality control policies and procedures, pertinent laws and regulations, certain questionnaires completed in advance by the audit organization, and reports to be reviewed. You should also obtain and review the *Peer Review Manual*. The manual can be downloaded from NASACT's website at [www.nasact.org/memonly/peerreview.cfm](http://www.nasact.org/memonly/peerreview.cfm) or can be obtained from the Coordinator. (See manual section IV, "Standard Work Program")

■ *How much of my time will the review take?*

The effective performance of peer reviews requires substantial planning and preparation. The work of the review team must be performed within deadlines specified in the contractual agreement between NASACT and the audit organization being reviewed. Adherence to timing constraints is essential throughout the external peer review process. (See manual page III-6.)

You will be given certain assignments by the team leader that should be completed prior to leaving for the on-site field work. These will include, among other things, reviewing specific standards from the organization's quality control policies and procedures. It is very important that you complete these assignments before the start of field work. Accordingly, it is important to understand that you will spend several days working on the review prior to arriving on-site. If this is your first review, you will most likely have to spend more time than if you are an experienced reviewer. You may find it beneficial to talk to others in your office that have been on reviews to determine the amount of time you should schedule for this preliminary work.

Although the length of a review could vary depending on the nature of the audit organization and the size of the review team, the field work phase is generally conducted over a period of approximately five to nine days. NASACT staff will attempt to arrange for external peer reviews to be conducted on these schedules. If these schedules are not possible, the team leader and NASACT staff will develop a different schedule. In all instances, scheduling of reviews during holiday weeks will be discouraged. (See manual pages II-18.)

■ *What types of activities will I be involved in during the review?*

The activities typically performed by the review team during the review are summarized below.

Off-site advance preparation before leaving your home state:

- Review the manual and related materials.
- Review the audit organization's quality control policies and procedures manual.
- Review the analysis of the audit staff questionnaires prepared by the team leader. The staff questionnaire is designed to determine whether the audit organization's quality control policies and procedures have been communicated to audit staff.
- Complete your assigned area of the audit organization's quality control policies and procedures and identify to the team leader any potential weaknesses or noncompliance.
- Review sample reports.

On-site activities:

- Day of arrival: initial meeting of team members before arriving at the office of the state audit organization to
  - Introduce the team members.
  - Provide a brief orientation to the review process.
  - Review and discuss the results of the Audit Staff Questionnaire and any potential design or compliance matters the results may have raised.
  - Review and discuss the results of the review of the audit organization's quality control policies and procedures and any potential design or compliance matters the team members identified during their assessments.
  - Provide an overview of the organization's working paper documentation.
  - Distribute the time schedule for completing the review.
  - Discuss how the team will prepare questionnaires and working papers.
  - Discuss how matters in the Conclusions document that could result in a finding(s) to be documented on an FFC form or a deficiency(ies) or significant deficiency(ies) to be included in the report should be documented by the team.
  - Discuss who will be responsible for writing the peer review report.
  - Discuss who will be attending the exit conference.
  - Discuss the results of the organization's internal monitoring process and its impact, if any, on the current peer review.
- For small reviews:
  - Days 1 through 3: complete the evaluation of quality control policies and procedures and review selected engagements.
  - Days 3 and 4: summarize findings and draft the peer review report.
  - Day 5: conduct the exit conference.
  - Day 5: revise the draft peer review report if necessary.
- For large reviews:
  - Days 1 and 2: complete the evaluation of quality control policies and procedures and/or review selected engagements.
  - Days 2 through 7: review selected engagements.
  - Days 6 through 8: summarize findings and draft the peer review report.
  - Days 9 and 10: conduct the exit conference.
  - Days 9 and 10: revise the draft peer review report if necessary.

## Recommendations and Evaluations

### ■ *Will I participate on other review teams in the future?*

Maybe. At the conclusion of the review, the team leader, in conjunction with the concurring reviewer, recommends to NASACT staff whether you should serve again on another review team either as a team leader or as a team member. A recommendation can also be made for no participation on future reviews. These recommendations are included in the data retained and used in assigning future team members.

■ *Will I have an opportunity to evaluate the external peer review process?*

Yes. When the review is completed, you will be asked to complete the “Review Team’s Evaluation Form” to help monitor and improve the external peer review program. In addition, the state audit organization that was reviewed will be asked to complete the “State Audit Organization Evaluation Form.” (See manual pages III-27 and III-34.) The Coordinator will send you a link to complete the survey online.

## **Program Policies and Procedures**

### **Objective**

The objective of this section is to describe the organizational structure of the NSAA External Peer Review Program and the policies and procedures for performing the reviews. After completing this section, you should understand that the context in which external peer reviews are performed is similar in many ways to the auditing environment in which you work.

### **Purpose of Reviews**

■ *Why do state audit organizations review each other?*

Maintaining an appropriate internal quality control system is essential to performing effective audits and attestation engagements that comply with professional standards. To help ensure the adequacy of and compliance with its internal quality control system, a state audit organization participates in an external peer review program.

Before 1989, NSAA external peer reviews were performed on a voluntary basis for those state audit organizations recognizing the benefits of such a review. Beginning in 1989, external peer reviews were required of all audit organizations conducting audits in accordance with government auditing standards. Accordingly, all state audit organizations performing government auditing standards audits must participate at least once every three years in an NSAA external peer review or an equivalent program. Similar requirements were also implemented in 1989 as a condition for certain types of membership in the AICPA. (See manual page I-1.)

■ *What is the purpose of the NSAA External Peer Review Program?*

The purpose of the NSAA External Peer Review Program is to provide an independent assessment of a state audit organization's system of quality control. As defined in the manual, such a system consists of the organization's organizational structure and the quality control policies and procedures it has established to provide reasonable assurance of complying with applicable professional standards.

### **Eligible Participants**

■ *Which state audit organizations are eligible to participate?*

Eligibility for participation in the NSAA External Peer Review Program is restricted to state audit organizations that meet the full membership criteria as defined in the Constitution and Bylaws of NSAA and that:

1. Perform financial audits, attestation engagements, or performance audits of government organizations (state and/or local),
2. Perform work according to government auditing standards,
3. Meet the tests of independence for external auditors prescribed by government auditing standards, and
4. Provide staff with appropriate experience to serve on other external peer reviews.

Other members of NASACT who participated in the NSAA Peer Review Program prior to July 1, 2000, and who meet requirements 1 through 4 enumerated above, are eligible to participate under previous eligibility requirements. (See manual page I-1.)

## **Model Quality Control System**

- *Is there a model quality control system to which I can compare the organization being reviewed?*

No. In conducting the review, the review team should recognize that the nature, extent, and formality of an audit organization's quality control system will vary based on the audit organization's circumstances, such as the audit organization's size, number of offices and geographic dispersion, the knowledge and experience of its personnel, the nature and complexity of its audit work, and cost-benefit considerations. The systems established and the extent of their documentation will vary. The team should consider these factors in studying and evaluating the quality control system in place for each specific audit organization. (See manual page II-17.)

## **Team Qualifications**

- *What qualifications are required for reviewers?*

The nature and complexity of an external peer review requires the exercise of professional judgment. The review team members assigned to conduct the external peer review should possess the necessary knowledge and professional proficiency to perform the review. NASACT staff selects only those individuals meeting the qualification requirements approved by NSAA for serving on review teams.

For reviews of financial audits or attestation engagements, individuals serving as team members shall be a CPA, or the equivalent, and possess current knowledge of governmental accounting and auditing standards. "Equivalent" is defined in this context as one having sufficient training and experience to perform similar tasks as a CPA. The determination of the "equivalent" status will be made by NASACT staff in conjunction with the team leader and concurring reviewer, giving due consideration to the specific tasks to be performed by the team member in the review.

For reviews of performance audits, individual team members shall possess an undergraduate or graduate degree in such areas as public or business administration, social or actuarial sciences, accounting, economics, statistics, law, industrial engineering, and the like, and should have current knowledge of methods and techniques applicable to performance auditing or program evaluation.

To be able to participate as a team member, an individual should be recommended by his or her audit organization head. Only experienced supervisory or managerial staff who have supervised audits and reviewed audit documentation as part of their job responsibilities should be assigned to participate on an NSAA review. Further, a person must have been in a responsible supervisory capacity for a minimum of three years. Finally, to be selected to serve on a team, a person must have similar audit experience as the state being reviewed.

If required by the nature of the organization being reviewed, individuals (consultants) may be used who have expertise in specialized areas but who need not be CPAs or may not possess advanced degrees. For example, computer specialists, statistical sampling specialists, actuaries, or educators with expertise in professional development may participate in certain segments of the review.

All team members should complete the Team Member Qualifications Form on NASACT's website to document their qualifications for performing the peer review. This statement is also confirmed by the head of the team member's state audit organization. This form should be completed by team members before the review begins and retained in the working papers. (See manual pages II-10; III-25.) All team members must also document their independence from the state audit organization being reviewed by signing the "Statement of Independence." (See manual page III-30.)

- *May the composition of the review team change before field work begins?*

Yes. After determining the scope of the review and selecting the engagements, the team leader and the concurring reviewer, with the assistance of the Coordinator, should determine the size and composition of the team. After the Coordinator selects prospective team members, the team leader and concurring reviewer should assess the adequacy and experience of those selected to help ensure the team, as a

whole, has the necessary expertise. They should contact the Coordinator if any additions, deletions, or substitutions are necessary. The Coordinator should also seek input from the state audit organization on the composition of the team and the qualifications of the team members. It is critical that the team leader, the concurring reviewer, and NASACT staff make every effort to ensure the experience of the review team, as a whole, matches the types of engagements performed by the state audit organization being reviewed. (See manual page II-16.)

## **Team Responsibilities**

### ■ *What are the responsibilities of a concurring reviewer?*

The concurring reviewer is the most senior review position on the review team. Concurring reviewers are essential to the peer review process and are selected based upon having significant education, training, and previous experience conducting external peer reviews. The concurring reviewer is responsible for overall compliance with the policies and procedures established by NSAA. Accordingly, the concurring reviewer is an integral member of the team.

The concurring reviewer should be appointed as soon as possible after selection of the team leader to provide for immediate assistance. The concurring reviewer and the team leader should mutually agree on the length of time the concurring reviewer will be on site at the offices of the state audit organization being reviewed. (See manual page II-8.)

Specific functions of the concurring reviewer include:

1. Assist the team leader in coordinating and planning the review, including ensuring the adequacy of the review team. If a preliminary site visit is warranted, the concurring reviewer generally will not accompany the team leader on the preliminary visit unless circumstances warrant his/her attendance. The team leader and concurring reviewer will consider the circumstances of the engagement and make this determination.
2. Assist the team leader and review team members concerning any problems arising during the course of the review.
3. Consult with the Administrator and the Peer Review Committee Chair as needed.
4. Review the team's working papers, including the appropriateness of the disposition of matters noted during the review.
5. Review the draft finding for further consideration forms (FFC form), if applicable, and the draft peer review report.
6. Attend and participate in the exit conference with the review team. Ensure the exit conference is appropriately documented in the working papers.
7. Assist team leader in the finalization of the FFC form(s), if applicable, and the peer review report, including signing the peer review report and FFC form(s), if applicable.
8. Consult with the team leader and make recommendations to NASACT staff on whether each review team member should participate in future reviews as a team leader or as a team member. A recommendation can also be made for no participation on future review teams. The concurring reviewer should also recommend to NASACT staff on whether the team leader should participate on another review, either as a team member, a team leader, or a concurring reviewer. A recommendation can also be made that the team leader not serve on a future review team

### ■ *What are the responsibilities of a team leader?*

The team leader is charged with the joint responsibility, along with the concurring reviewer, for the overall planning and performance of the peer review including the peer review report. (See manual page II-8.) The primary responsibilities of a team leader include:

1. Coordinate all aspects of the review with the state audit organization to be reviewed and with NASACT staff.
2. After consulting with the concurring reviewer, establish the scope of the review and assess the scheduled timeframe for the review. In conjunction with the Administrator, determine the team size needed to complete the review timely.

3. Review the prior report(s) and working papers, if applicable.
4. Organize the review and ensure the timely completion of the work.
5. Determine team assignments and assist team members, as required.
6. Instruct team members concerning the manner in which working papers are to be prepared.
7. Review work performed by team members (e.g., completed sections in the Audit Organization's Policies and Procedures and Review Guide, completed Guides for Review of Audit/Attest Engagements, and documentation of matters identified during the peer review) and ensure compliance with the policies and procedures established by NSAA.
8. Consult with the concurring reviewer, the Administrator, and the Peer Review Committee Chair, concerning the review (especially relating to any problems which may arise).
9. Lead the entrance and exit conferences with reviewed state audit organization.
10. Discuss with team members and reach decisions on whether each matter identified during the peer review is a matter, finding, deficiency, or significant deficiency.
11. Finalize the FFC form(s) and peer review report, including, if applicable, appropriate consideration of the responses received from the reviewed state audit organization. Sign the peer review report and FFC form(s), if applicable.
12. Consult with the concurring reviewer and provide a recommendation for each team member to NASACT staff for participation on future review teams.
13. Complete the "Bank Credit Computation Form" and send to NASACT staff.

■ *What are the responsibilities of a team member?*

Team members are responsible for performing the tasks assigned by the team leader. (See manual page II-9.) These tasks generally include:

1. Read the NSAA's "Policies and Procedures for the External Peer Review Program."
2. Complete the appropriate section(s) of the Audit Organization's Policies and Procedures and Review Guide.
3. Attend the entrance conference.
4. Actively participate in team meetings.
5. Review engagements using the Guide for Review of Audit/Attest Engagements.
6. Consult with personnel of the state audit organization, as needed, in order to fulfill assigned tasks.
7. Inform the team leader of the status of assignments and the nature of any problems that may arise.
8. Assist other team members, as needed.
9. Document any matters noted during the peer review.
10. Participate in team discussions to determine whether each matter noted during the peer review is a matter, finding, deficiency, or significant deficiency.
11. Write assigned sections of the peer review report.
12. Attend exit conference.
13. Provide any necessary input to the team leader in order to finalize the peer review report.

### **Standard Work Program**

■ *Does NSAA provide a standard work program for use in each external peer review?*

Yes. The manual provides two standard work programs. The first is the standard work program for the team leader and this is the program that directs the majority of the work of the review team. The work program has been designed to help in the performance of an NSAA external peer review and is compiled by the three phases of the review process: the preliminary phase, field work phase, and completion phase. (See manual Section IV.)

The second standard work program is designed for the work of the concurring reviewer. (See manual Section IV.)

In addition to the standard work programs, the manual also provides standard documents for the team members to use.

## Preliminary Phase of the Review

### ■ *What is the purpose of the preliminary phase of the review?*

The preliminary phase of a peer review is concerned with those preparations that must be made before the review team arrives at the offices of the state audit organization. These initial preparations are essential for completing the review on time. During the preliminary phase, the review team is primarily responsible for obtaining and reviewing the necessary information concerning the audit organization. (See manual pages II-12 through II-17.)

### ■ *What documentation is obtained during the preliminary phase?*

The team leader contacts the state audit organization and obtains information necessary to provide an understanding of the state audit organization and to plan the review. The state audit organization will be requested to prepare the Audit Organization Questionnaire and the appropriate sections of the Audit Organization's Policies and Procedures and Review Guide. (See manual page II-13.)

The team leader makes arrangements with the state audit organization to provide the following to each team member before the field work begins:

- Audit organization's policies and procedures manual(s)
- Completed Audit Organization Questionnaire (including list of staff names, email addresses, and positions)
- Audit Organization's Policies and Procedures and Review Guide
- Reports for the engagements selected for review

The team leader typically assigns each team member a specific area of the audit organization's policies and procedures (e.g., independence, supervision) to examine. The team members review the state audit organization's policies and procedures manual(s) and evaluate the adequacy of the quality control system relative to the answers provided on the Audit Organization's Policies and Procedures and Review Guide. The results of the team members' assessments of the policies and procedures are provided to the team leader who summarizes the work and reports the results back to the review team. **All these procedures should be performed before the start of field work.** (See manual page II-16.)

The Audit Staff Questionnaire is distributed via electronic survey software. If the organization has a very large staff, the team leader uses judgment in deciding whether to survey all or a representative sample of staff members. The team leader summarizes the responses to the Audit Staff Questionnaire and sends the results to the review team before the start of field work. (See manual page II-14.)

### ■ *What is involved in the preliminary visit of the preliminary phase?*

The preliminary visit by the team leader to the office of the audit organization can be an important aspect of the preliminary phase. However, as discussed below, an on-site preliminary visit may not be needed in every instance. For state audit organizations being reviewed under the NSAA External Peer Review Program for the first time, a preliminary visit should be considered. In addition, when the prior peer review rating was *pass with deficiencies* or *fail* (previously modified or adverse) or major changes have occurred in the organization (e.g., new types of audits or new organizational structure), a preliminary visit should be considered.

When previous reviews resulted in a peer review rating of *pass* (previously unmodified) or no significant changes have occurred within the organization, the preliminary visit is generally not necessary. Procedures that are typically performed on site during the preliminary visit can be handled through the mail, fax, email, or telephone.

In all instances, a preliminary site visit will be allowed if it is requested by the state audit organization or it is deemed appropriate by the team leader and concurring reviewer. If it is determined that a preliminary site visit is needed (or requested), the concurring reviewer will generally not accompany the team leader on the preliminary visit unless circumstances warrant his or her attendance. Again, the team leader and concurring reviewer will consider the circumstances of the engagement and make this determination.

The primary issues to be covered during the preliminary visit include determining the scope of the review, obtaining a preliminary understanding of the quality control system, in order to assess risk, distributing the Audit Staff Questionnaire, and selecting engagements to be reviewed. Other aspects include determining working arrangements, such as the availability of computers, workspace, and support staff assistance. Also, in order to become familiar with issues from prior reviews, the team leader should review the (1) prior working papers and (2) permanent file for the state audit organization. (See manual page II-13.)

■ *Are any other steps involved in the preliminary phase?*

Yes. Other aspects of the preliminary phase include coordinating with NASACT staff on travel and lodging arrangements, preparing appropriate questionnaires, selecting engagements for review by team members, and determining team member assignments. The detailed steps to be accomplished in the preliminary phase are documented in the standard work programs.

During the preliminary phase, the team leader also prepares an engagement letter. The engagement letter documents the agreement between the review team and the audit organization concerning the work to be performed and the responsibilities to be assumed by both parties. The purpose of the engagement letter is to avoid any potential misunderstanding at a later date. An engagement letter template is included in Section IV of the manual. (See manual page II-16.)

■ *What administrative steps does NASACT perform during the preliminary phase?*

The terms and conditions for providing the external peer review are documented in a formal contract between NASACT and the state audit organization. This contract generally is prepared by the Coordinator before the preliminary visit is made or before the team leader contacts the state audit organization by telephone in those instances where no preliminary visit is needed. The Coordinator provides a copy of the executed contract to the review team leader and to the contracting parties. (See manual page II-16.)

## **Field Review**

■ *What is the scope of the field review?*

The scope of the review should cover the state audit organization's compliance with applicable professional standards for the engagements that it conducts. The review does not include verifying the audit organization's compliance with the state's statutes related to the state audit organization, which is outside the scope of an NSAA external peer review, nor does it include evaluating the efficiency with which the audit organization carries out its responsibilities. In addition, the review generally will not include the administrative aspects of the audit organization. However, administrative policies and practices of the audit organization are reviewed when they directly relate to satisfying relevant professional standards and quality control considerations.

The financial audit, attestation engagement, and performance audit external peer review documents have been designed with the assumption that the audit organization follows government auditing standards. Therefore, all engagements the organization has stated to have been performed in accordance with government auditing standards are subject to the external peer review.

A state audit organization may choose to be reviewed only on its financial audit function, attestation function, or its performance audit function. Such a decision is not considered a scope limitation. The audit organization may have separate evaluations and reports for its financial audit, attestation engagement, and performance audit functions, but each would be considered a separate review and would be charged an administrative fee for each review.

An external peer review covers a current period of one year to be mutually agreed upon by the reviewed organization and the review team. The scope of the review encompasses the quality control policies and procedures in effect and the organization's compliance with those policies and procedures for the year under review. Engagements subject to selection for review should be those for which (1) reports were issued during the year under review or (2) the audit work was substantially completed and the report issued

immediately after the end of the year under review. Periods of less than one year may be used in unusual cases if the shorter period is justifiable. Periods of greater than one year also may be used if circumstances warrant. (See manual page II-14.)

### **Limited-scope Reviews**

■ *Are limited-scope external peer reviews permitted?*

Yes. If an organization desires a review of its engagements performed in accordance with generally accepted auditing standards (GAAS) or of only selected elements, such a review may be performed. Any scope limitation should be discussed during the preliminary phase, and the team leader and the audit organization must mutually agree upon the limited scope of the review. The review team leader should consult with the concurring reviewer, the Peer Review Committee Chair, and the Administrator in such a situation. A scope limitation should also be appropriately addressed in the review team's peer review report. (See manual page II-14.)

### **Access to Audit Information**

■ *Does the review team interview the auditees of the reviewed audit organization?*

No. During the course of the review, review team members should not have contact with, or access to, the auditees of the reviewed audit organization unless mutually agreed upon by the audit organization and the review team. This restriction also applies to users of reports issued by the audit organization. (See manual page II-18.)

■ *Does the review team have unlimited access to audit documentation of the reviewed organization?*

Generally, yes. However, a reviewed audit organization may have legitimate reasons for not permitting the audit documentation for certain engagements to be reviewed. For example, the financial statements of an engagement may be subject to litigation or investigation. The review team should satisfy itself as to the reasonableness of the explanation. If the team is not satisfied, the matter should be reported to the head of the state audit organization and the review team should consider what other actions may be appropriate in the circumstances.

The review team may conclude that the scope of the review has not been unduly restricted if only a few engagements are excluded from the review process and if the review team is able to conclude, by reviewing similar engagements and other work of the supervisory personnel connected with the excluded engagements, that the engagements do not materially affect the review coverage. (See manual page II-14.)

### **Selecting Engagements for Review**

■ *How do we know which engagements to select for review?*

As a team member, you are not responsible for selecting engagements for review. This is a responsibility of the team leader with assistance from the concurring reviewer. However, it is important for you to recognize that selecting engagements for review requires professional judgment. The following list identifies some factors that should be considered:

- Scope of the audits including size of the audited entity or audits covering multiple locations
- Functional area or type of government program
- Types of audits provided, including the extent of nonaudit services provided to audited entities
- Personnel (including use of new personnel or personnel not routinely assigned the types of audit provided)
- Initial audits
- Familiarity resulting from a longstanding relationship with the audited entity

- Political sensitivity of the audits
- Budget constraints for the audit organization
- Results of the peer review team’s review of the design of the system of quality control
- Results of the audit organization’s monitoring process
- Risk sensitivity of the audit organization
- Results of the audit organization’s last external peer review

To provide a reasonable level of assurance concerning the audit organization’s adherence to its quality control policies and procedures and to applicable professional standards, the review team should attempt to select GAGAS engagements that provide a “reasonable cross section” of the audit and attest work that is included within the scope of the review. Some audit organizations conduct audit and attest work in a number of functional areas. For example, an organization may conduct financial audits, attestation engagements, and performance audits. An organization also may conduct several types of financial audits (i.e., the Single Audit, audits of local governments, etc.) or several types of performance audits (i.e., efficiency and effectiveness, program, etc.). The review team should give consideration to reviewing engagements from the major functional areas included within the scope of the review.

Consideration also should be given to selecting engagements of most personnel at the audit manager level (or the equivalent position). Personnel at the audit manager level generally are responsible for the final review of the working papers and for ensuring the engagement adhered to the organization’s quality control policies and procedures and applicable professional standards. Other considerations could include such things as the manager’s span of control (i.e., the number and type of auditees or the percentage of an organization’s total audit hours assigned to the manager). If the audit organization performs the audit of the statewide CAFR and/or single audit, these audits should be included in the sample of engagements selected for review. (See manual page II-15.)

■ *How many engagements or how many audit hours are selected for review?*

The number of engagements selected and the percentage of auditing hours to be reviewed are contingent on the factors listed above, among others, and are left entirely to the professional judgment of the review team. The importance of professional judgment in the selection of engagements cannot be overemphasized. However, based on previous experience, each team member reviewing a relatively large organization reviews approximately 2-3 engagements in addition to his or her assignments for evaluations of specific quality control policies and procedures. Each team member reviewing a relatively small organization reviews 1-2 engagements. (See manual page II-15.)

**Performing and Documenting the Review**

■ *What types of working papers will be prepared during the review?*

Working papers are prepared by the review team to document the work performed and the findings and conclusions reached by the review team. The working papers consist primarily of

- Background information relating to the audit organization.
- Engagement letter, contract, correspondence, and other documents related to the review.
- Standard work program.
- Completed documents for financial audits, attestation engagements, and performance audits.
- MFC and FFC forms (if applicable).
- Documentation of the exit conference.
- Report drafts and a copy of the final peer review report issued.

Working papers are prepared and organized in an appropriate manner as in any audit situation. The team leader is responsible for providing instructions to the team members concerning the manner in which the working papers are to be prepared. Particular attention should be given to how well the working papers summarize the team’s findings and conclusions for writing the peer review report. (See manual page II-31.)

■ *What happens to the working papers I prepare during the review?*

After issuing the peer review report, the team leader finalizes the working papers. The team leader prepares a summary of the engagements reviewed and includes the summary as part of the working papers to assist in the selection of engagements for subsequent reviews. The following working papers relating to individual engagements and audit staff personnel are retained by the team leader for 90 days, and destroyed at the end of the 90-day period:

- Guides for Review of Audit/Attest Engagements
- Audit Staff Questionnaires

Any summaries of the aforementioned questionnaires may be retained if such summaries do not identify specific engagements or individuals. The remaining working papers are submitted, in good form, to NASACT. NASACT is responsible for storage and retention of the working papers.

These working papers are retained until completion of a subsequent review of the state audit organization at which time they are destroyed. However, the Administrator will prepare a permanent file for each organization reviewed that includes, among other things, documents related to and rationales for issuing a peer review report with a rating of *pass with deficiencies* or *fail*. (See manual page II-31.)

The working papers of the review team are considered confidential information. Access to these working papers requires the written approval of the state audit organization reviewed. The only exceptions to this policy are:

- The Peer Review Committee Chair or other members of the Peer Review Committee who serve on a dispute resolution subcommittee.
- Team members, team leaders, and concurring reviewers performing subsequent reviews.
- Designated NASACT staff members assigned to the administration of the review program.

These individuals are allowed access to working papers as necessary to properly carry out their functions.

Furthermore, the reviewed state audit organization also is allowed access to the working papers applicable to its review after the team leader has submitted the working papers to NASACT, the Administrator has completed his/her review, and the peer review report has been issued.

If a request for access to working papers is denied by the state audit organization, an appeal may be made to the Peer Review Committee Chair for access to the working papers. If this appeal is unsuccessful, a subsequent request may be made to the President of NSAA who, in addition to the Executive Committee, has final authority in the matter. (See manual page II-32.)

## **Identifying and Evaluating Matters, Findings, Deficiencies, and Significant Deficiencies**

■ *How are matters, findings, deficiencies, and significant deficiencies identified?*

In understanding the audit organization's system of quality control, the team leader may note that the system is not designed appropriately. Similarly, the performance of compliance tests may uncover that the system is not being complied with appropriately or may identify a design matter that was not identified during the planning of the peer review. With any of these items, the peer review team has available a set of definitions to assist in classifying the matters identified.

Determining the relative importance of matters identified during the peer review, individually or combined with others, requires professional judgment. Careful consideration is required in forming conclusions. The descriptions that follow, used in conjunction with the MFC, FFC, and Conclusions forms to document these items when applicable, are intended to assist in aggregating and evaluating the peer review results, concluding on them, and determining the nature of the peer review report to issue:

- a. A peer reviewer identifies a *matter* as a result of his or her evaluation of the design of the reviewed audit organization's system of quality control and/or tests of compliance with it. Tests of compliance

include inspection, inquiry, and observation performed by reviewing engagements and testing other aspects of the reviewed audit organization's system of quality control. Matters are typically one or more "No" answers to questions in peer review questionnaire(s) that a reviewer concludes warrants further consideration in the evaluation of an audit organization's system of quality control. A matter is documented on an MFC form. A matter, after further evaluation, can be cleared, discussed verbally with the audit organization, or carried forward to the Conclusions document.

- b. A *finding* is one or more related matters that result from a condition in the reviewed audit organization's system of quality control or compliance with its system such that there is more than a remote possibility that the reviewed audit organization would not perform and/or report in conformity with applicable professional standards. The peer review team will conclude whether one or more findings are a deficiency or significant deficiency. If the peer review team concludes that no finding, individually or combined with others, rises to the level of deficiency or significant deficiency, a peer review report rating of *pass* is appropriate. A finding not rising to the level of a deficiency or significant deficiency is documented on an FFC form.
- c. A *deficiency* is one or more findings that the review team has concluded, due to the nature, causes, pattern, or pervasiveness, including the relative importance of the finding to the reviewed audit organization's system of quality control taken as a whole, could create a situation in which the audit organization would not have reasonable assurance of performing and/or reporting in conformity with applicable professional standards in one or more important respects. It is not a significant deficiency if the review team has concluded that except for the deficiency or deficiencies, the reviewed audit organization has reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Deficiencies that are not significant deficiencies are communicated in a report with a peer review rating of *pass with deficiencies*.
- d. A *significant deficiency* is one or more deficiencies that the review team has concluded results from a condition in the reviewed audit organization's system of quality control or compliance with its system such that the reviewed audit organization's system of quality control taken as a whole does not provide the reviewed audit organization with reasonable assurance of performing and/or reporting in conformity with applicable professional standards in all material respects. Such deficiencies are communicated in a report with a peer review rating of *fail*.

Reasonable assurance is a critical concept for the team to keep in mind as it determines the appropriate level of reporting (e.g., *pass*, *pass with deficiency(ies)*, or *fail*). It is important to remember that the ultimate objective of a system of quality control is to provide the audit organization with reasonable, but not absolute, assurance that its work will conform to applicable professional standards. The nature and extent of the audit organization's quality control policies and procedures should be suitably designed, including adequately documented and communicated, in relation to the organization's size, number of offices and geographic dispersion, knowledge and experience of its personnel, nature and complexity of its audit work, and cost-benefit considerations.

Compliance, for the purpose of determining reasonable assurance, means adherence to a prescribed quality control policy or procedure in all material respects; it does not imply adherence to a prescribed policy or procedure in every case. Variance in individual performance and professional interpretation affects the degree of compliance with an organization's prescribed quality control policies and procedures. Adherence to all policies and procedures in every case may not be possible; nevertheless, a high degree of compliance is to be expected.

Depending on the resolution of a matter and the process of aggregating and evaluating peer review results, a matter may develop into a finding. Findings will also be evaluated and, after considering the nature, causes, pattern, pervasiveness, and relative importance to the system of quality control as a whole, may or may not get elevated to a deficiency. Similarly, a deficiency may or may not be further elevated to a significant deficiency.

A matter is documented on an MFC form. A matter, after further evaluation, can be cleared, discussed verbally with the audit organization, or carried forward to the Conclusions document. The Conclusions document is used to determine the appropriate reporting (i.e., finding reported on an FFC form or a

deficiency or significant deficiency reported in the peer review report) of each matter carried forward to this document.

If the matter gets elevated to a finding but not a deficiency or significant deficiency, it is documented on an FFC form. The FFC form is part of the working papers and is not a part of the reporting process. The FFC form includes the review team's recommendation and the reviewed audit organization's response regarding actions planned or taken by the audit organization. If the matter is instead elevated to a deficiency or significant deficiency, then it is communicated in the report itself, along with the review team's recommendation. The audit organization submits a letter of response regarding actions planned or taken by the audit organization, which is also evaluated for appropriateness and responsiveness.

#### ■ *How are matters aggregated and evaluated?*

To conclude on the results of a peer review, the review team completes the Conclusions document where it aggregates the matters identified during the peer review and determines whether the matters were the result of the design of the reviewed audit organization's system of quality control or the failure of its personnel to comply with the audit organization's quality control policies and procedures. The review team should consider the severity of the matters noted and their relative importance to the audit organization's system of quality control as a whole, along with their nature, causes, pattern, and pervasiveness.

Use of professional judgment is essential in determining whether the aggregation of the matters identified during the review are findings and whether one or more findings is a deficiency or significant deficiency for purposes of reporting on the results of the peer review.

#### *Design Matters*

A design matter exists when the reviewed audit organization's system of quality control is missing a quality control policy or procedure or the reviewed audit organization's existing quality control policies and procedures, even if fully complied with, would not result in engagements performed and/or reported on in accordance with professional standards in some respect. To be effective, a system of quality control must be designed properly, and all of the quality control policies and procedures necessary to provide the reviewed audit organization with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects should be in place. Therefore, the review team will need to determine whether the quality control policies and procedures would be effective if they were complied with. To make this determination, the review team should consider the implications of the evidence obtained during its evaluation of the system of quality control and its tests of compliance, including its reviews of engagements. For example, a pattern of engagement failures to perform and/or report in conformity with applicable professional standards in all material respects likely is indicative of a finding pertaining to the design of the reviewed audit organization's quality control policies and procedures.

The relative importance of design matters identified in the reviewed audit organization's quality control policies and procedures, individually and in the aggregate, need to be evaluated in the context of the audit organization's size, organizational structure, and the nature of its work. For example, a matter identified during the review of a quality control policy or procedures may be particularly or wholly offset by another policy or procedure. In this circumstance, the review team should consider the interrelationships among the elements of quality control and weigh the matters identified against compensating policies and procedures to determine whether a finding exists and its relative importance.

There may be circumstances in which the reviewer finds few findings in the work performed by the audit organization and yet may conclude that the design of the audit organization's system of quality control needs to be improved.

#### *Compliance Matters*

A compliance matter exists when a properly designed quality control policy or procedure does not operate as designed because of the failure of the personnel of the reviewed audit organization to comply with it. Since a variance in individual performance and professional interpretation will affect the degree of compliance, adherence to all policies and procedures in every case generally is not possible. However, the degree of compliance by the personnel of the reviewed audit organization with its prescribed quality control

policies and procedures should be adequate to provide the reviewed audit organization with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects.

To determine the degree of noncompliance, the review team should evaluate the matters of noncompliance, both individually and in the aggregate. In assessing whether the degree of compliance was adequate to provide the required assurance, the review team should consider the severity of the matter, as well as the nature, causes, pattern, and pervasiveness of the instances of noncompliance noted and their relative importance to the audit organization's system of quality control as a whole, not merely their importance in the specific circumstances in which they were observed. As with the evaluation of design matters, compliance matters also need to be evaluated in the context of the audit organization's size, organizational structure, and the nature of its work.

#### *Determining the Cause for a Finding*

When the review team is faced with an indication that a matter(s) could be a finding, and/or the audit organization failed to perform and/or report in conformity with applicable professional standards in all material respects, the review team's first task in such circumstances is to determine the cause of the finding or failure. Further, the review team must make a good faith effort to try to identify the underlying systemic cause for those matters to determine if they rise to the level of a finding. A finding has a systemic definition; a finding is one or more related matters that result from a *condition* in the reviewed audit organization's system of quality control or compliance with it such that there is more than a remote possibility that the reviewed audit organization would not perform and/or report in conformity with applicable professional standards. With a finding, the reviewer is considering more than just the "matter;" they are considering the condition (that is, systemic cause) that resulted in the matter(s) occurring. Otherwise said, the reviewer must determine why the matters occurred. Upon further evaluation, a finding may rise to a systemically oriented deficiency or significant deficiency. Causes that might be systemic and might affect the type of peer review report issued include, but are not limited to, the following:

- a. The failure related to an issue covered by a recent professional pronouncement, and the audit organization failed to identify, through professional development programs or appropriate supervision, the relevance of that pronouncement to its work.
- b. The failure should have been detected if the audit organization's quality control policies and procedures had been followed.

The finding or failure to perform and/or report in conformity with applicable professional standards in all material respects may be the result of an isolated human error and, therefore, would not necessarily mean that a peer review report with a peer review rating of *pass with deficiencies* or *fail* should be issued. However, if the reviewer believes that the probable cause (for example, a failure to provide or follow appropriate policies for supervision of the work of assistants) of a finding or failure to perform and/or report in conformity with applicable professional standards in all material respects on an engagement or a finding within a functional area also exists in other engagements or in other functional areas, the reviewer needs to consider carefully the need to issue a peer review report with a peer review rating of *pass with deficiencies* or *fail*.

Although an isolated matter or an instance of noncompliance with the audit organization's quality control policies and procedures ordinarily would not be included in the report, its nature, cause (if determinable), and relative importance for the audit organization's system of quality control as a whole should be evaluated in conjunction with the review team's other findings before making a final determination.

#### *The Pattern and Pervasiveness of Matters*

The review team must consider the pattern and pervasiveness of matters and their implications for compliance with the audit organization's system of quality control as a whole, in addition to their nature, causes, and relative importance in the specific circumstances in which they were observed. As noted in the preceding paragraphs, the review team's first task is to try to determine why the matters occurred. In some cases, the design of the audit organization's system of quality control may be deficient (for example, when there is inadequate supervision of engagement planning). In other cases, there may be a pattern of

noncompliance with a quality control policy or procedure such as when audit organization policy requires the completion of a financial statement disclosure checklist but such checklists often were not used or relevant questions or points were incorrectly considered. That increases the possibility that the audit organization might not perform and/or report in conformity with applicable professional standards in all material respects, which also means the reviewer must consider carefully whether the matter(s) individually or in the aggregate is a deficiency or a significant deficiency and whether there is the need to issue a peer review report with a peer review rating of *pass with deficiencies* or *fail*.

On the other hand, the types of matters noted may be individually different, not individually significant, and not directly traceable to the design of or compliance with a particular quality control policy or procedure. This may lead the reviewer to the conclusion that the matters were isolated cases of human error that should not result in a peer review report with a peer review rating of *pass with deficiencies* or *fail*.

■ *How are the conclusions formed on the type of peer review report to issue?*

The review team must use professional judgment in determining the type of peer review report to issue. This judgment requires the consideration of several factors, including an understanding of the audit organization's system of quality control and the nature, causes, pattern, and pervasiveness of matters and their relative importance to the audit organization's system of quality control taken as a whole, including limitations on the scope of the review. A general reporting matrix in Section II (page II-26) provides guidance on various reporting considerations for this process. In addition, examples have been developed to provide review teams with additional reporting guidance. These examples are located in Section VIII of the manual.

In rare cases, the review team may need technical assistance or an expert opinion from sources outside NSAA. In these instances, the team leader and concurring reviewer should decide whether such assistance or information is needed. The Peer Review Committee Chair and the Administrator must be contacted before any additional assistance is requested. During such requests, state-specific information should not be divulged, except in those rare circumstances in which accurate and appropriate technical information cannot otherwise be obtained and then only with the written approval of the state audit organization and the concurrence of the Peer Review Committee Chair.

■ *What types of peer review reports may be issued?*

A review team may issue a peer review report with a rating of *pass*, *pass with deficiency(ies)*, or *fail*. When a review team is considering the issuance of a peer review report with a rating of *pass with deficiency(ies)*, or *fail*, the team leader and concurring reviewer must consult with the Peer Review Committee Chair and the Administrator. The Chair and the Administrator function in an advisory role in such situations primarily to assist in maintaining consistency among reviews. However, the final decision rests with the review team. A general reporting matrix provides guidance on various reporting considerations for the reporting process. (See manual page II-23 - II-26.)

*Peer Review Report with a Peer Review Rating of Pass*

A report with a peer review rating of *pass* should be issued when the review team concludes that the audit organization's system of quality control has been suitably designed and complied with to provide the audit organization with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. There are no deficiencies or significant deficiencies that affect the nature of the report and, therefore, the report does not contain any deficiencies, significant deficiencies, or recommendations.

Exhibit A-1 on page II-33 of the manual presents the standard format for peer review report with a rating of *pass*.

*Peer Review Report with a Peer Review Rating of Pass with Deficiencies*

A report with a peer review rating of *pass with deficiencies* should be issued when the review team concludes that the audit organization's system of quality control has been suitably designed and complied with to provide the audit organization with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects with the exception of a certain deficiency or

deficiencies that are described in the report. These deficiencies are conditions related to the audit organization's design of and compliance with its system of quality control that could create a situation in which the audit organization would have less than reasonable assurance of performing and/or reporting in conformity with applicable professional standards in one or more important respects due to the nature, causes, pattern, or pervasiveness, including the relative importance of the deficiencies to the quality control system taken as a whole.

A peer review report rating of *pass with deficiencies* is appropriate when the review team determines that compliance matter(s) (including any design matters in the quality control system that allowed such noncompliance) identified during the review of individual engagements are serious and pervasive such that the system of quality control does not provide reasonable assurance of conformance with at least one of the applicable professional standards. The Conclusions document lists the applicable professional standards of the AICPA AU-C, AT and GAGAS sections. However, overall the organization's quality control system did provide reasonable assurance of complying with these applicable professional standards in all material respects.

The review team should consider the pattern and pervasiveness of matters and their implications for compliance with the audit organization's system of quality control as a whole, in addition to their nature, causes, and relative importance in the specific circumstances in which they were observed in making this determination. The review team should consider these factors when determining the effect noted matters have on the state audit organization. For example, the review team may believe that several individual professional standards are impacted by the noted matters and therefore, the overall system of quality control does not provide reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. In this case, a peer review rating of fail (discussed below) may be appropriate. On the other hand, the effect of the matters may have been limited to parts of individual standards found on individual engagements reviewed (e.g., developing an audit plan under the standard planning an audit). While the matters were pervasive, the review team does not believe they were serious, or pervasive enough to the whole standard (e.g., planning an audit) to provide a peer review rating of pass with deficiency. In this case, the review team issues a peer review rating of pass. Findings should be documented on an FFC form(s) and retained in the working papers.

In all cases, the team should use sound professional judgment to consider the extent of the engagements involved and the significance of the noncompliance identified (including any design matters in the quality control system that allowed such noncompliance) to the overall audit effort of the organization. Sound professional judgment is especially important in peer reviews since the severity of matters is difficult to measure quantitatively.

Exhibit A-3 on page II-34 of the manual presents the standard format for peer review report with a rating of *pass with deficiency(ies)*.

#### *Peer Review Report with a Peer Review Rating of Fail*

A report with a peer review rating of *fail* should be issued when the review team has identified significant deficiencies and concludes that the audit organization's system of quality control is not suitably designed to provide the audit organization with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects or the audit organization has not complied with its system of quality control to provide the audit organization with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects.

Again, the review team should consider the pattern and pervasiveness of matters and their implications for compliance with the audit organization's system of quality control as a whole, in addition to their nature, causes, and relative importance in the specific circumstances in which they were observed in determining the appropriate level of reporting. The effect of the noncompliance (and related quality control system matters) must be so severe on the overall system of quality control as to preclude the expression of a peer review rating of *pass with deficiencies*. Sound professional judgment should be used in issuing a peer review rating of *fail*.

Exhibit A-5 on page II-35 of the manual presents the standard format for peer review report with a rating of *fail*.

### *Scope Limitation*

When the scope of the review is limited by conditions that preclude the application of one or more peer review procedures considered necessary in the circumstances and the peer reviewer cannot accomplish the objectives of those procedures through alternative procedures, the types of reports described above are modified by including statements in the report's scope paragraph, body and opinion paragraph. These statements describe the relationship of the excluded audit(s) or functional area(s) to the reviewed organization's full scope of practice and system of quality control and the effects of the exclusion on the scope and results of the review.

### **Communicating the Results of the Review**

#### ■ *How are the results of the review communicated to the reviewed audit organization?*

The review team is required to communicate its findings to the reviewed audit organization in a peer review report. The peer review report must be issued by the date specified in the engagement letter and in the contract between NASACT and the audit organization.

The peer review report is not issued until after the concurring reviewer has completed his/her review and resolved any questions. Also, any disagreements between team members must be resolved before the written report is released.

The peer review report is addressed to the head of the state audit organization and is dated as of the last day of field work. The peer review report is issued on NSAA letterhead (without the listing of officers and executive committee members) and signed by the team leader and the concurring reviewer on behalf of the entire team.

When the peer review report rating is *pass with deficiency(ies)* or *fail*, the state audit organization should prepare a response that addresses the deficiency(ies) or significant deficiency(ies) that resulted in the *pass with deficiency(ies)* or *fail* rating. The response should be placed on the state audit organization's letterhead and be signed by the principal of the organization. The team leader should attach the response(s) to the peer review report for issuance.

The peer review report and the audit organization's response (if applicable) are considered confidential information and the property of the audit organization. The availability and distribution of report copies is solely at the discretion of the audit organization. However, review team members may retain a copy of the final peer review report and audit organization's response (if applicable), for their own information.

#### ■ *What is reported during the exit conference?*

The reviewed audit organization is entitled to be informed at the exit conference about any matters documented on the MFC form(s), findings documented on the FFC form(s), deficiencies or significant deficiencies to be included in the peer review report, and the type of report to be issued. Accordingly, except in rare circumstances that should be explained to the reviewed audit organization, the exit conference should be postponed if there is any uncertainty about the report to be issued or the deficiencies or significant deficiencies to be included in the report. The review team should also communicate, if applicable, that the audit organization will be required to respond to the findings documented on the FFC form(s), and/or the deficiency(ies) or significant deficiencies included in the peer review report. The exit conference is also the appropriate vehicle for providing suggestions for improving audit or attest processes or procedures to the audit organization that are not included in the report, FFC form(s), or MFC form(s). (See manual page II-27.)

### **Handling Disagreements**

#### ■ *How are disagreements within review teams handled?*

The team decision-making process must respect the professional judgments of each team member, while preserving a structure to reach group decisions. The NSAA External Peer Review Program draws upon the talents and experiences of highly qualified team members. Team members are encouraged to arrive at judgments and to follow a thoughtful and deliberative decision-making process. Team members must be mindful, however, that their judgments must be supported by valid interpretations of applicable professional standards and not on personal preferences.

Many team decisions are essentially subjective judgments; accordingly, the team may not always reach consensus. It may be difficult to reach consensus on the significance of a problem. Especially difficult decisions may center on how a problem should be reported (e.g., finding, deficiency, or significant deficiency). When disagreements exist, it is necessary to have a structured decision-making process available.

First, review teams may need to gather additional information on applicable professional standards, accounting principles, or the like, to be able to make an informed decision and resolve any disagreements. In addition to the team's own research efforts, the team leader and concurring reviewer may seek consultation from:

- Peer Review Committee Chair
- NSAA Administrator
- Known experts in certain subject areas
- Authoritative standard-setting organizations (e.g., GASB, GAO, AICPA, or OMB)

The team leader and concurring reviewer should decide whether additional outside technical assistance or information is needed. The Peer Review Committee Chair and the Administrator must be contacted before any additional assistance is requested from other sources. When requesting additional outside technical assistance or information, state-specific information should not be divulged, except in those rare circumstances in which accurate and appropriate technical information cannot otherwise be obtained and, then, only with the written approval of the state audit organization and the concurrence of the Peer Review Committee Chair.

If after thoughtful consideration of all available information a disagreement still exists and unanimous consensus cannot be reached within the team, then the type of peer review report shall be decided jointly by the team leader and the concurring reviewer. However, if the majority of team members disagree with the decision of the team leader and concurring reviewer regarding the type of peer review report, the matter will be referred to the Peer Review Committee Chair for resolution. Also, if the team leader and the concurring reviewer disagree regarding the type of peer review report to issue, then the matter is referred to the Peer Review Committee Chair for resolution.

To resolve the disagreement(s), the Chair's options include but are not limited to:

- Offering interpretations regarding NSAA external peer review policies and procedures.
- Consulting with other Peer Review Committee members, concurring reviewers or team leaders
- Sending another concurring reviewer on-site.
- Appointing a subcommittee of the Peer Review Committee, chaired by a principal member of NSAA.

Once the disagreement(s) is resolved, the team's conclusions should be presented in a "unified" voice. Dissenting viewpoints by team members who disagree with the final decisions should not be presented at the exit conference or in the final peer review report. They should, however, be documented in the working papers.

■ *How are disagreements between the review team and the state audit organization handled?*

Disagreements affecting the peer review report may occur between the review team and the reviewed state audit organization. If these disagreements cannot be resolved by ordinary good-faith efforts, at the option of the state audit organization or the review team, the matter may be referred to the Peer Review Committee Chair for resolution. If an issue is referred, the Chair may appoint a special review committee of individuals who have previously functioned as concurring reviewers. The special review committee may consult with

the members of the review team, review the working papers of the review team, interview representatives of the state audit organization, or consult with appropriate NSAA committees or the Administrator. The special review committee will evaluate the circumstances concerning the disagreement(s) and make recommendations to the review team and the state audit organization in an effort to help resolve the disagreement. If unresolved, the state audit organization may formally appeal the issue to the Peer Review Committee for final resolution.

To resolve the disagreement, the principal members of the Peer Review Committee may consult with the members of the review team, review the team's working papers, interview representatives of the state audit organization, or consult with appropriate NSAA committees, the Administrator, or the special review committee. The principal members of the Peer Review Committee are authorized to take whatever action is necessary. This action may include, but is not limited to:

- Directing that additional work be performed or
- Recommending the peer review report be issued as submitted by the review team or revised. (See manual page II-28.)

## **Documents Used in External Peer Reviews**

### **Objective**

The objective of this section is to demonstrate how to assess the state audit organization's compliance with the applicable professional standards, including which forms to use and who should fill out the forms. After completing this part, you should be able to apply to the external peer review process your previous knowledge and understanding of the applicable professional standards.

### **Documents**

■ *Are some documents common to all external peer reviews?*

Yes. The standard work programs have been designed to help in the performance of all NSAA external peer reviews. The work programs should serve the following functions:

1. Indicate the procedures necessary to accomplish the objectives of the review.
2. Aid in instructing the review team in the work to be performed.
3. Provide documentation of the procedures performed in conducting the review.

As mentioned previously, one work program guides the work of the team leader and the second program guides the work of the concurring reviewer. The standard work programs consist of three major sections: preliminary, field work, and completion of the review. After the preliminary section is completed, the work program may be revised based upon changed conditions or unexpected results.

In addition to the standard work programs, a number of other common documents are used. Two documents completed by the audit organization are common to all external peer reviews:

1. Audit Organization Questionnaire
2. Audit Staff Questionnaire

An Audit Organization Questionnaire and Audit Staff Questionnaire are used in every external peer review, whether of financial audits, attestation engagements, performance audits, or a combination of the three types of engagements.

One document completed by both the audit organization and the peer review team is common to all external peer reviews:

1. Audit Organization's Quality Control Policies and Procedures and Review Guide

Separate documents are provided for reviews of financial audits, attestation engagements, and performance audits.

Four documents completed by the external peer review team also are common to all external peer reviews:

1. Guide for Review of Engagements
2. Matters for Further Consideration
3. Conclusions of the External Peer Review
4. Findings for Further Consideration

The Matters for Further Consideration and Findings for Further Consideration documents are used in every external peer review. However, separate Guides for Review of Engagements and Conclusions of the External Peer Review are provided for reviews of financial audits, attestation engagements, and performance audits.

Another document prepared by the peer review team that is common to all external peer reviews is the external peer review report.

■ *What is documented in the Audit Organization Questionnaire?*

This questionnaire is completed by the organization being reviewed. It is designed to obtain basic information from the organization about its mission, authority, organizational structure, and staff. In addition, the questionnaire asks for information about the number and types of engagements released during the period under review. The information the organization provides is important in the general planning of the external peer review.

All answers to this questionnaire should be cross-referenced to source documents, as necessary, for easy reference by the review team. When feasible, copies of the source documents are attached to the questionnaire. In addition, the organization should provide the team leader a copy for each team member of its manuals, directives, quality control documents, etc., that detail its quality control system.

■ *What is documented in the Audit Staff Questionnaire?*

This questionnaire is completed by the staff of the organization being reviewed and is designed (1) to find out the extent to which the organization's quality control policies and procedures have been effectively communicated to staff and (2) to obtain staff members' views about a number of factors related to their organization's adherence to those policies and procedures. Staff members are asked to answer the questions based on only their own knowledge or experiences.

The head of the state audit organization prepares a transmittal letter to be distributed with the questionnaire to the audit staff (including those staff in managerial roles). The transmittal letter and the questionnaire can be distributed via one of the following methods:

- The team leader distributes the Audit Staff Questionnaire, with a copy of the executed transmittal letter, to the selected staff via email. Staff should respond directly to the team leader, either by email or hard copy mailing.
- The organization distributes the Audit Staff Questionnaire, with a copy of the executed transmittal letter, to the selected staff via email, with a copy to the team leader. Staff should respond directly to the team leader.

If the organization has a very large staff, the team leader uses judgment in deciding whether to survey all or a representative sample of staff members. (See "Audit Staff Questionnaire" in manual Section IV.)

■ *How does the review team use the documentation in the Audit Staff Questionnaire?*

The team leader analyzes the responses to the questionnaire by staff position, length of service, and type of staff (predominantly financial, predominantly attestation, or predominantly performance) and provides the summary results to the review team before the on-site review begins. Staff questionnaires are used as indicators of weaknesses in a system of quality control. However, they are not definitive tests and should not be the sole basis for a finding.

The review team uses (1) the summary results of this questionnaire, (2) the results of its review of the organization's quality control policies and procedures, and (3) a sample of completed audits to assess whether the organization's system of quality control is suitably designed for the state audit organization, including adequately documented and communicated, and being complied with to provide the state audit organization with reasonable assurance of conforming with applicable professional standards. Because the responses are analyzed separately for the financial audit, attestation engagement, and performance audit staffs, the respondents need to indicate whether their work is predominantly related to financial audits, to attestation engagements, or to performance audits.

All responses to this questionnaire are confidential, and the results are not used in an individually identifiable manner.

■ *What is documented in the Audit Organization's Quality Control Policies and Procedures and Review Guide?*

This checklist differs for reviews of financial audits, attestation engagements, and performance audits. Both the state audit organization being reviewed and the review team complete this checklist. This checklist is designed to obtain information about the audit organization's quality control policies and procedures and to allow the peer review team to assess those policies and procedures to determine whether they are adequate. The checklists contain questions about the quality control policies and procedures the organization has in place to provide reasonable assurance that its audit and attest work complies with applicable professional standards. These questions generally are tied to the two categories of requirements contained in GAAS and GAGAS:

- a. Unconditional requirements: Auditors and audit organizations must comply with an unconditional requirement in all cases where such requirement is relevant. GAAS and GAGAS use the word *must* to indicate an unconditional requirement.
- b. Presumptively mandatory requirements: Auditors and audit organizations must comply with a presumptively mandatory requirement in all cases where such a requirement is relevant except in rare circumstances. GAAS and GAGAS uses the word *should* to indicate a presumptively mandatory requirement.

The audit organization is asked to reference its applicable quality control policies and procedures or the documents in which they can be found. All answers should be cross-referenced to the source documents and, whenever feasible, copies of the source documents should be attached to the questionnaire. If the organization has a comprehensive audit manual or quality control document covering its quality control policies and procedures, the organization need not make copies of individual policies and procedures for the reviewers.

The fourth general standard of government auditing standards acknowledges that audit organizations have wide discretion in designing their internal quality control systems. The standards do not require that audit organizations adopt written internal policies for each professional standard. On occasion, a state audit organization may purposely not establish a formal internal policy, because it believes individual auditor judgment is the best mechanism for implementing a particular audit

The audit organization also is asked to briefly describe the internal controls it has in place for ensuring that these quality control policies and procedures are followed if the referenced document does not clearly explain how compliance is assured. For example, if an organization ensures that sufficient evidence has been obtained for a finding through regular supervisory reviews of audit documentation, stating this fact would be sufficient. This information gives the external peer review team a better understanding of how the organization operates and of the internal controls it has in place. The external peer reviewers can also use this information in determining the amount or nature of the test work that will be performed to assess the organization's compliance with its quality control system.

The external peer review team reviews these specific policies, procedures, or documents as part of its assessment of whether they are suitably designed for the state audit organization, including adequately documented. The information and materials provided by the organization should help the review team conduct the external peer review as efficiently as possible. The review team should recognize that the nature, extent, and formality of an audit organization's quality control system will vary based on the audit organization's circumstances, such as its size, number of offices and geographic dispersion, knowledge and experience of its personnel, nature and complexity of its audit work, and cost benefit considerations. The systems established and the extent of their documentation will vary. The team considers these factors in studying and evaluating the quality control system in place for each specific state audit organization. (See "Agency PP" checklists in Sections V, VI, and VII.)

■ *What is documented in the Guide for Review of Engagements?*

This guide differs for reviews of financial audits, attestation engagements, and performance audits. The applicable guide is completed by the review team members.

Guide for Review of Financial Audit Engagements: The purpose of this guide is to help the reviewer determine the extent to which the audits being reviewed were conducted in accordance with applicable professional standards. The questions in this guide emphasize reporting matters and general procedures ordinarily performed by an independent auditor when auditing the financial statements of state government.

Guide for Review of Attestation Engagements: The purpose of this guide is to help the reviewer determine the extent to which the engagements being reviewed were conducted in accordance with applicable professional standards. The questions in this guide emphasize reporting matters and general procedures ordinarily performed by an independent auditor in performing an attestation engagement.

Guide for Review of Performance Audit Engagements: The purpose of this guide is to help the reviewer determine the extent to which the audits being reviewed were conducted in accordance with applicable professional standards. The questions in this guide emphasize reporting matters and general procedures ordinarily performed by an independent auditor in conducting a performance audit.

Each guide contains the standards, stated verbatim, and a series of questions for each requirement under the standards. (See “Audit/Attestation Review Guide” checklists in Sections V, VI, and VII.)

■ *What is documented in the Matters for Further Consideration Form?*

This form is completed by the external peer review team. It is designed to allow the team to compile, in one place, any design matters noted in the reviewed organization’s quality control system or any noncompliance with the organization’s system of quality control that are identified by the review team during the review. This form is to be used in conjunction with the Audit Organization’s Policies and Procedures and Review Guide, the Guide for Review of Engagements, the Audit Staff Questionnaire, the Conclusions of the External Peer Review, and the Findings for Further Consideration Form.

The completed forms serve as the basis for later discussions by the team members, team leader, and concurring reviewer, in drawing their conclusions about the organization’s system of quality control. Those conclusions are recorded in overall form in the Conclusions of the External Peer Review document. (See “MFC Form” in Section IV.)

■ *What is documented in the Conclusions of the External Peer Review?*

This form differs for reviews of financial audits, attestation engagements, and performance audits. This document is completed by the review team and provides guidance to the team in reaching conclusions about the audit organization’s system of quality control. In drawing its conclusions, the review team should remember that any matters identified in the organization’s quality control policies and procedures or compliance therewith cannot be viewed in isolation.

Matters that have been cleared on the MFC Form are not brought forward to this document. Further, matters that the review team has determined will be discussed verbally with the audit organization are also not brought forward to this document. For those matters brought forward to the Conclusions document, the review team should determine whether those matters could prevent reasonable assurance of performing and reporting in compliance with professional standards overall, part(s) of one or more individual standards, or are of lesser significance but still should be communicated to the organization. Those matters should be considered for their significance in relation to the organization’s overall quality control system, its organizational structure, and the nature of its audit function. (See “Conclusions” documents in Sections V, VI, and VII.)

■ *What is documented in the Findings for Further Consideration Form?*

This form is prepared in connection with an external peer review if there are one or more matters that the peer review team believes results in a condition in which there is more than a remote possibility that the reviewed audit organization would not perform or report in conformity with applicable professional standards, but the results were not of such relative importance to include in a report with a peer review rating of *pass with deficiencies* or *fail*. (See Reporting Matrix in Section II, page 26, or in Conclusions Document, page 5, for more guidance.)

FFC forms will be retained in the working papers and will be considered during the performance of the next peer review. However, they are not part of the formal reporting process. (See “FFC Form” in Section IV.)

## **Review of General Standards**

### **Objective**

The objective of this section is to demonstrate how to assess the state audit organization's compliance with the general standards, including which forms to use and who should fill out the forms. After completing this part, you should be able to apply to the external peer review process your previous knowledge and understanding of the general standards.

### **Assessing Compliance with the GAGAS General Standards**

■ *What standards are assessed on every external peer review?*

On every external peer review, the review team will assess the organization's compliance with the GAGAS general standards. The general standards are as follows:

- Independence
- Professional judgment
- Competence
- Quality control and assurance
- Criteria (AICPA general standard for attestation engagements)

■ *How do I assess compliance with the GAGAS general standards?*

The Audit Organization Questionnaire addresses the general standards on competence and independence.

Competence: Professional personnel are listed in six groups: financial audit, attestation engagement, performance audit, IS audit, technical support, and other. For each staff member, the organization lists college degrees obtained, professional certifications obtained, and applicable areas of specialization or designation as the organization's "expert" in an area.

Independence: The organization must do seven things:

1. Describe and provide copies of constitutional, legislative, or regulatory provisions that describe qualifications for the audit organization head, how the position is filled, and why and how the organization head can be removed from office.
2. Describe to whom the audit organization head is accountable.
3. Describe the organization head's length of service in the position and participation in other government organizations, as well as previous positions held in the last five years.
4. Indicate whether the organization head has full responsibility for selecting, hiring, evaluating, and removing organization staff.
5. Describe the organization's provisions for right-of-access to records and documents.
6. Describe impairments to fulfilling the organization's mission.
7. Describe any non-audit services performed and the impact, if any, on the organization's independence for conducting audits.

The Audit Staff Questionnaire addresses the general standards on independence, professional judgment in conducting engagements and preparing reports, competence of staff assigned to perform audit or attest work, and quality control and assurance, based on the staff's knowledge of and experience with the organization's quality control policies and procedures. For attestation engagements, the Audit Staff Questionnaire also addresses the general standard on criteria.

The Audit Organization's Quality Control Policies and Procedures and Review Guide asks questions in the following areas concerning the general standards.

Independence: Application of the GAGAS conceptual framework approach to independence, including identifying threats to independence, evaluating the significance of the threats identified, and applying safeguards as necessary to eliminate the threats or reduce them to an acceptable level.

Professional judgment: Using professional judgment, including professional skepticism, in planning and performing audits and in reporting the results.

Competence: Technical knowledge, skills, and experience necessary to be competent for the type of work being performed; additional qualifications for financial audits and attestation engagements; and continuing professional education.

Quality control and assurance: System of quality control and external peer review.

Criteria (for attestation engagements only): Subject matter capable of evaluation against criteria.

The guide instructs the review team to review the audit organization's policies, procedures, or other documents relating to each general standard to assess the organization's answers to the questions. The guide then asks the reviewer to conclude whether the audit organization's established quality control policies and procedures are suitably designed, including adequately documented and communicated, in order to provide reasonable assurance of compliance with the GAGAS general standards.

The Guide for Review of Engagements (one for financial audits, one for attestation engagements, and one for performance audits) addresses each of the GAGAS general standards. (See manual sections V, VI, and VII.)

## **Reviews of Financial Audits**

### **Objective**

The objective of this section is to demonstrate how to assess the state audit organization's compliance with the standards relating to financial audits, including which forms to use and who should fill out the forms. After completing this section, you should be able to apply to the external peer review process your previous knowledge and understanding of the standards relating to financial audits.

### **Documents for Financial Audits**

- *How are the documents organized for reviews of financial audits?*

The documents are organized so that each section inquires about the audit organization's quality control policies and procedures related to audit standards affecting all types of financial audits.

### **Types of Financial Audits**

- *What types of financial audits are contemplated by the NSAA external peer review documents?*

Financial audits performed in a government environment primarily include audits of financial statements. However, there are several variations of those audit types. The types of financial audits contemplated by the NSAA peer review documents are as follows:

Audits of financial statements are the basic audit type for which the AICPA professional standards were developed. The audit standards require extensive search and verification procedures and an assessment of control risk. Financial statement audits measure compliance with one of two sets of criteria:

Generally accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board

Other comprehensive basis of accounting (OCBOA) such as the cash basis or a basis of accounting required by statute

Single audit is an expanded version of a financial statement audit. (The financial statement audit is one component of a single audit.) Additional procedures are required in both the areas of legal compliance and internal control in order to satisfy the federal audit requirements.

The audit standards do anticipate other types of financial audits which may be performed in a government environment, but are not specifically asked about in the questions. Examples include (1) obtaining sufficient, appropriate evidence to form an opinion on single financial statements, specified elements, accounts, or items of a financial statement; (2) issuing letters for underwriters and certain other requesting parties; and (3) auditing compliance with applicable compliance requirements relating to one or more government programs.

### **Assessing Compliance with the Standards Relating to Audit Performance, Documentation, and Reporting**

- *What standards relating to audit performance, documentation, and reporting are assessed in reviews of financial audits?*

In reviews of financial audits, the review team will assess the organization's compliance with the following broad categories of standards relating to audit performance, documentation, and reporting:

- AICPA Standards relating to General Principles and Responsibilities

- AICPA Standards relating to Risk Assessment and Response to Assessed Risks
- AICPA Standards relating to Audit Evidence
- AICPA Standards relating to Using the Work of Others
- Additional GAGAS Requirements for Performing Financial Audits
- AICPA Standards relating to Audit Conclusions and Reporting
- Additional GAGAS Requirements for Reporting on Financial Audits
- AICPA Standards relating to Special Considerations
- AICPA Standards relating to Special Considerations in the United States

■ *How do I assess compliance with the standards relating to audit performance, documentation, and reporting?*

The Audit Organization's Quality Control Policies and Procedures and Review Guide asks questions concerning the standards followed in financial audit engagements. Each question is cross-referenced to the applicable standard or other requirement. The audit organization references its applicable quality control policies and procedures. The reviewer should assess the policies and procedures by indicating whether the organization's established policies and procedures are suitably designed, including adequately documented and communicated, and have been complied with to provide reasonable assurance of compliance with professional standards.

The Audit Staff Questionnaire is completed by the staff of the organization being reviewed and is designed to determine the extent to which the organization's quality control policies and procedures have been effectively communicated to staff and to obtain staff members' views about a number of factors related to their organization's adherence to those policies and procedures. Results of this questionnaire should be considered along with evidence gathered during the review of the organization's quality control policies and procedures and a sample of audits to help evaluate the organization's compliance with its quality control policies and procedures and with applicable professional standards.

The Guide for Review of Financial Audit Engagements is designed to assist the reviewer in determining the extent to which the particular audit engagement under review was conducted in accordance with the standards relating to audit performance, documentation, and reporting. The guide is divided into the sections noted above. Each section contains the standards, stated verbatim, and a series of questions for each requirement under the standards describing the actions that the audit organization and the auditors conducting the specific audit under review must have taken for the audit to meet the standards, and a series of review steps for the external peer reviewer to complete. Each question is cross-referenced to the applicable standard or other requirement.

## **Reviews of Attestation Engagements**

### **Objective**

The objective of this section is to demonstrate how to assess the state audit organization's compliance with the standards relating to attestation engagements, including which forms to use and who should fill out the forms. After completing this section, you should be able to apply to the external peer review process your previous knowledge and understanding of the standards relating to attestation engagements.

### **Documents for Attestation Engagements**

- *How are the documents organized for reviews of attestation engagements?*

The documents are organized so that each section inquires about the audit organization's quality control policies and procedures related to professional standards affecting all types of attestation engagements.

### **Types of Attestation Engagements**

- *What types of attestation engagements are contemplated by the NSAA external peer review documents?*

Attestation engagements concern examining, reviewing, or performing agreed-upon procedures on a subject matter, or an assertion about a subject matter, that is the responsibility of another party, and reporting on the results. Attestation engagements can cover a broad range of financial or nonfinancial objectives and can be part of an audit or a separate engagement. The three types of attestation engagements are:

Examination: Consists of obtaining sufficient, appropriate evidence to express an opinion on whether the subject matter is based on (or in conformity with) the criteria in all material respects or the assertion is presented (or fairly stated), in all material respects, based on the criteria.

Review: Consists of sufficient testing to express a conclusion about whether any information came to the auditors' attention on the basis of the work performed that indicates the subject matter is not based on (or not in conformity with) the criteria or the assertion is not presented (or not fairly stated) in all material respects based on the criteria.

Agreed-Upon-Procedures: Consists of performing specific procedures on the subject matter and issuing a report of findings based on the agreed-upon procedures.

### **Assessing Compliance with the Standards of Field Work and Reporting**

- *What standards of field work and reporting are assessed in reviews of attestation engagements?*

In reviews of attestation engagements, the review team will assess the organization's compliance with the following standards of field work and reporting:

- Planning and supervision
- Evidence
- Auditor communication
- Previous audits and attestation engagements
- Fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, and abuse
- Developing elements of a finding
- Examination engagement documentation
- Reporting

■ *How do I assess compliance with the standards of field work and reporting?*

The Audit Organization's Quality Control Policies and Procedures and Review Guide asks questions concerning the field work and reporting standards followed in attestation engagements. Each question is cross-referenced to the applicable standard or other requirement. The audit organization references its applicable quality control policies and procedures. The reviewer should assess the policies and procedures by indicating whether the organization's established policies and procedures are suitably designed, including adequately documented and communicated, and have been complied with to provide reasonable assurance of compliance with professional standards.

The Audit Staff Questionnaire is completed by the staff of the organization being reviewed and is designed to determine the extent to which the organization's quality control policies and procedures have been effectively communicated to staff and to obtain staff members' views about a number of factors related to their organization's adherence to those policies and procedures. Results of this questionnaire should be considered along with evidence gathered during the review of the organization's quality control policies and procedures and a sample of attestation engagements to help evaluate the organization's compliance with its quality control policies and procedures and with applicable professional standards.

The Guide for Review of Attestation Engagements is designed to assist the reviewer in determining the extent to which the particular attest engagement under review was conducted in accordance with the standards of field work and reporting. The guide contains a section for each standard, a guidance statement describing the actions that the audit organization and the auditors conducting the specific engagement under review must have taken for the engagement to meet the standards, and a series of review steps for the external peer reviewer to complete. Each question is cross-referenced to the applicable standard or other requirement.

**Reviews of Performance Audits**

**Objective**

The objective of this section is to demonstrate how to assess the state audit organization’s compliance with the standards of field work and reporting for performance audits, including which forms to use and who should fill out the forms. After completing this section, you should be able to apply to the external peer review process your previous knowledge and understanding of the field work and reporting standards for performance audits.

**Documents for Reviews of Performance Audits**

- *How are the documents organized for reviews of performance audits?*

The documents are organized so that each section inquires about the audit organization’s quality control policies and procedures related to audit standards for all its performance audits. (See manual section VI, “Documents for a Performance Audit External Peer Review.”)

**Assessing Compliance with the Standards of Field Work and Reporting**

- *What standards of field work and reporting are assessed in reviews of performance audits?*

In reviews of performance audits, the review team will assess the organization’s compliance with the following standards of field work and reporting:

<u>Field work</u>	<u>Reporting</u>
Planning the audit	Form of the report
Supervising staff	Report contents
Obtaining sufficient appropriate evidence	Report issuance and distribution
Preparing audit documentation	

(See manual section VI, “Audit Organization’s Policies and Procedures and Review Guide.”)

- *How do I assess compliance with the standards of field work and reporting?*

The Audit Organization’s Quality Control Policies and Procedures and Review Guide asks questions concerning the field work and reporting standards followed in performance audit engagements. Each question is cross-referenced to the applicable government auditing standard. The audit organization references its applicable quality control policies and procedures. The reviewer should assess the policies and procedures and indicate whether the organization’s established policies and procedures are suitably designed, including adequately documented and communicated, and have been complied with to provide reasonable assurance of compliance with government auditing standards.

The Audit Staff Questionnaire is completed by the staff of the organization being reviewed and is designed to determine the extent to which the organization’s quality control policies and procedures have been effectively communicated to staff and to obtain staff members’ views about a number of factors related to their organization’s adherence to those policies and procedures. Results of this questionnaire should be considered along with evidence gathered during the review of the organization’s quality control policies and procedures and a sample of audits to help evaluate the organization’s compliance with its quality control policies and procedures and with government auditing standards.

The Guide for Review of Performance Audit Engagements is designed to assist the reviewer in determining the extent to which the particular audit engagement under review was conducted in accordance with the standards of field work and reporting. The guide contains a section for each standard, a guidance statement describing the actions that the audit organization and the auditors conducting the specific audit under review must have taken for the audit to meet the standards, and a series of review steps for the external peer reviewer to complete. Each question is cross-referenced to the applicable government auditing standard.

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## Section VIII

Questions and Answers for Team Leaders and Concurring Reviewers

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**Table of Contents**

**Responsibilities of a Team Leader**

Objective.....	1
Primary responsibilities of a team leader .....	1
What are a team leader’s primary responsibilities? .....	1
Fulfilling the responsibilities of a team leader.....	1
What is involved in coordinating the review with the state audit organization and NASACT staff? .....	1
How do I establish the scope and extent of the review?.....	2
Why do I review the prior report and working papers? .....	2
How do I organize the review process and ensure the timeliness of the work to be performed? .....	3
What role do I play in the selection of the team members?.....	3
How do I determine team assignments and provide assistance to team members? .....	4
What is involved in providing instructions to team members concerning the manner in which working papers are to be prepared?.....	4
What is involved in the review of work performed by team members? .....	4
When would I need to consult with the concurring reviewer, the Administrator, or the Chair of the NSAA Peer Review Committee concerning the review? .....	4
How do I conduct the exit conference with the reviewed audit organization? .....	5
How do I complete the report? .....	5
How do I evaluate each team member’s work to identify potential team leaders for subsequent reviews? .....	6
Can the review team leave early if the review is completed ahead of schedule? .....	6

**Responsibilities of a Concurring Reviewer**

Objective.....	7
Primary responsibilities of a concurring reviewer .....	7
What are the concurring reviewer’s primary responsibilities?.....	7
Fulfilling the responsibilities of a concurring reviewer .....	7
How do I assist the team leader in planning the review?.....	7
How do I provide assistance to the team leader and review team members concerning any problems that may arise during the course of the review?.....	8
When should I consult with the Administrator or the Chair of the NSAA Peer Review Committee? .....	8
Why do I review the working papers, findings, and draft peer review prepared by the review team? .....	8
What is involved in attending the exit conference with the review team?.....	9
How do I assist the team leader in completing the peer review report? .....	9
How do I evaluate each team member’s work to identify potential team leaders and concurring reviewers for subsequent reviews? .....	9

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## **Responsibilities of a Team Leader**

### **Objective**

The objective of this section is to describe the team leader's responsibilities and the procedures the team leader must perform to fulfill those responsibilities. After completing this section, you should be able to apply to the team leader role your previous knowledge and understanding of the external peer review process.

### **Primary Responsibilities of a Team Leader**

■ *What are the team leader's primary responsibilities?*

The *NSAA External Peer Review Manual* (manual) states that the team leader's primary responsibilities include the following: (See manual page II-8.)

1. Coordinate all aspects of the review with the state audit organization and NASACT.
2. After consulting with the concurring reviewer, establish the scope of the review and assess the scheduled timeframe for the review. In conjunction with the Administrator, determine the team size needed to complete the review timely.
3. Review the prior report(s) and working papers, if applicable.
4. Organize the review and ensure the timely completion of the work.
5. Determine team assignments and assist team members, as required.
6. Instruct team members concerning the manner in which working papers are to be prepared.
7. Review work performed by team members (e.g., completed sections in the Audit Organization's Policies and Procedures and Review Guide, completed Guides for Review of Audit/Attest Engagements, and documentation of matters identified during the peer review) and ensure compliance with the policies and procedures established by NSAA.
8. Consult with the concurring reviewer, the Administrator, and the Peer Review Committee Chair, concerning the review (especially relating to any problems which may arise during the review).
9. Lead the entrance and exit conferences with the reviewed state audit organization.
10. Discuss with team members and reach decisions on whether each matter identified during the peer review is a matter, finding, deficiency, or significant deficiency.
11. Finalize the FFC form(s) and peer review report, including, if applicable, appropriate consideration of the responses received from the reviewed state audit organization. Sign the peer review report and FFC form(s), if applicable.
12. Consult with the concurring reviewer and provide a recommendation for each team member to NASACT staff for participation on future review teams.
13. Complete the "Bank Credit Computation Form" and send to NASACT staff.

### **Fulfilling the Responsibilities of a Team Leader**

■ *What is involved in coordinating the review with the state audit organization and NASACT staff?*

You will coordinate with NASACT throughout the review, particularly during the preliminary phase. This coordination will include discussions on travel arrangements, hotel accommodations, and team member reimbursements. It also will include obtaining and reviewing information provided by NASACT on team members and the state audit organization to be reviewed.

You also will coordinate with the state audit organization throughout the review. During the preliminary phase, you will contact the state audit organization and arrange for the organization to prepare or assemble certain information before the review team begins field work at the offices of the state audit organization. As discussed on page II-13 of the manual, a preliminary site visit can be an important aspect of the preliminary phase. However, a preliminary site visit may not be needed in every instance. One of your first major responsibilities will be to determine the need for an on-site preliminary visit. The concurring reviewer

can offer valuable assistance in making this decision and you should consult with the concurring reviewer on the necessity of a preliminary on-site visit. If an on-site visit is not necessary, procedures that are typically handled at the state audit organization during the on-site visit can be accomplished through the mail, fax, e-mail, telephone, etc. You also will send appropriate documents for the state audit organization to complete before field work begins, and you will arrange for the state audit organization to mail certain information to the team members.

Coordination with the state audit organization and NASACT continues throughout the preliminary, field work, and completion phases of the review. An important aspect of coordination is the establishment and communication of the review schedule. This schedule is specified in the contract between NASACT and the state audit organization. The length of a review typically varies, depending on the nature of the audit work and the size of the review team, but usually runs approximately five days (a one week period) for smaller audit organizations and nine days (a two week period) for larger organizations. (See manual page II-18.)

■ *How do I establish the scope and extent of the review?*

In establishing the scope and extent of the review, you must keep in mind the diverse nature of NSAA member audit organizations and also the differences in scope and objectives between financial audits, attestation engagements, and performance audits. Your professional judgment is a major factor in deciding the scope and the extent of the review. You will establish the scope and objectives during the preliminary phase of the review after considering such factors as the state audit organization's organizational structure; scope, number, and size of engagements performed; previous review reports; extent of IT applications; outside auditor relationships; and the state audit organization's answers to questions on standard documents.

The scope of the review should cover the state audit organization's compliance with professional standards for the engagements that it conducts. The review does not verify the state audit organization's compliance with the state's statutes related to the audit organization, which is outside the scope of an NSAA external peer review, or evaluate the efficiency with which a state audit organization carries out its responsibilities. It will also generally not include the administrative aspects of the state audit organization. However, administrative policies and practices of the state audit organization are to be reviewed where they have a direct relationship to the satisfaction of relevant professional standards and quality control considerations.

The financial audit, attestation engagement, and performance audit external peer review documents have been designed with the assumption that government auditing standards are followed by the state audit organization. All engagements the organization has stated to have been performed in accordance with government auditing standards are subject to the external peer review. However, if an organization desires a review of its engagements performed in accordance with generally accepted auditing standards (GAAS) only, such a review may also be performed. The review team and the state audit organization must mutually agree upon the scope of the review to be performed. Any changes that would limit the scope of the review should be discussed during the preliminary phase. The review team leader should consult with the concurring reviewer, the Peer Review Committee Chair, and the Administrator in such a situation. A scope limitation should also be appropriately addressed in the review team's peer review report. The reporting considerations for scope limitations are discussed on pages II-25 and II-34 – II-36.

External peer reviews should cover a current period of one year to be mutually agreed upon by the reviewed organization and the review team. The scope of the review should encompass the quality control policies and procedures in effect and compliance therewith for the year under review. Engagements subject to selection for review should be those for which (1) reports were issued during the year under review or (2) the audit work was substantially completed and the report issued immediately after the end of the year under review. Periods of less than one year may be used in unusual cases if the shorter period of time is justifiable. Likewise, periods of greater than one year may be used if circumstances warrant.

■ *Why do I review the prior peer review report and working papers?*

You review the prior peer review report and working papers to help establish the scope and extent of the current review. The NASACT Coordinator will send you the most recent set of working papers, including a

copy of the peer review report and if applicable, the audit organization's response(s). The Coordinator will also send the state audit organization's "permanent file" which contains a number of items including: background information on the state audit organization, working papers documenting the audit engagement selection process, and documents such as the Matters for Further Consideration forms related to and rationales for issuing a peer review report with a rating of *pass with deficiencies* or *fail* (previously a modified Opinion Report). The permanent file also contains copies of Findings for Further Consideration forms (if applicable), previously issued peer review reports, and if applicable, the audit organization's response. Letters of comment issued in reviews prior to July 1, 2013, are also maintained in the permanent file.

The working papers are retained at the NASACT Lexington office. Reviewing the working papers may also help you to select engagements for the current review. Section II of the manual describes the contents of working papers.

The working papers are considered confidential information. Access to these working papers requires the written approval of the state audit organization reviewed. However, there are exceptions to this policy including: the Chair of the Peer Review Committee or other members of the Committee who are appointed to serve on a dispute resolution subcommittee; team members, team leaders, and concurring reviewers performing subsequent reviews; and designated NASACT staff members assigned to administer the program. These individuals are allowed access to working papers as necessary to properly carry out their duties and responsibilities. In addition, the reviewed state audit organization is allowed access to the working papers applicable to its review after the team leader has submitted the working papers to NASACT, the Administrator has completed his/her quality control review, and the peer review report has been issued. (See manual page II-32.)

■ *How do I organize the review process and ensure the timeliness of the work to be performed?*

You organize the review process and ensure the timeliness of the work to be performed by coordinating with NASACT staff and with the state audit organization and by following the guidance provided in the standard work program and other parts of the manual. As mentioned earlier, the field work portion of the review normally takes between approximately five days (a one week period) for smaller audit organizations and nine days (a two week period) for larger organizations. Organizing the review to accomplish the preliminary phase steps indicated in the standard work program will provide a solid foundation for completing the review during the required period. It is especially important for the team to substantially complete its evaluation of the state audit organization's quality control policies and procedures prior to arrival on-site. (See manual page II-17 - II-18.)

In addition, carefully matching team members' expertise to engagements selected for review and then monitoring, supervising, and assisting the team during the review will ensure the timeliness of the work.

As with any audit, planning and organization are critical to the successful completion of the work performed. As team leader, it is important that you have properly planned and organized the review and have provided the team with proper direction prior to arriving on site. You may have one or more team members who have not worked on another review. Your guidance to the review team members will help ensure the timely completion of the review.

■ *What role do I play in the selection of the team members?*

The Administrator, with the assistance of the Coordinator, has the overall responsibility for the assignment of review team members. However, it is your responsibility along with the concurring reviewer, with the assistance of the Coordinator, for ensuring the review team, as a whole, is competent to perform the review. Input from the state audit organization concerning the assignment of team members should be also obtained in determining the composition of the review team. In planning the review to provide the "best match" in terms of team experience, NASACT staff should determine from the state audit organization those states it believes are "peers" in terms of similar characteristics of various types of audit work performed. This is accomplished in planning the review by using the "External Peer Review Planning Sheet" (page III-17). NASACT staff will attempt to select the team members from these "peer" states. If the state audit organization being reviewed believes that a potential team member comes from a state audit organization that does not have similar work experience, it can request that NASACT staff select an individual from

another state audit organization with more similar experience. Also, if requested by the state audit organization being reviewed, federal auditors should be assigned from the state's cognizant agency.

After determining the scope of the review and selecting the engagements, the team leader and the concurring reviewer, with the assistance of the Coordinator, should determine the size and composition of the team. After the Coordinator selects prospective team members, the team leader and concurring reviewer should assess the adequacy and experience of those selected to help ensure the team, as a whole, has the necessary expertise. The Coordinator should also seek input from the state audit organization on the composition of the team and the qualifications of the team members. You should contact the Coordinator if any additions, deletions, or substitutions are necessary.

■ *How do I determine team assignments and provide assistance to team members?*

During the preliminary phase, you will notify the state audit organization of the engagements selected for review; you should also select at least one engagement after arriving on site. If problems arise from the selected engagements, the team leader and concurring reviewer should consider selecting more engagements to review to determine whether or not the problems are isolated occurrences. In selecting additional engagements to review after arriving on site, the team leader should work with the state audit organization to minimize the "lapse time" (i.e., the time required to get the working papers from storage or perhaps, from a regional office).

You will assign team members to review these engagements based on their areas of expertise. The time required to review individual engagements by team members will vary based upon the size, nature, and complexity of the engagement performed. The review team leader should give appropriate consideration to these factors in the selection of engagements and the assignment of team members. For example, the team member assigned to review the audit of the comprehensive annual financial report (CAFR) probably will not have sufficient time to review another engagement. Based upon previous experience, each team member reviewing a relatively large organization generally reviews approximately two to three engagements in addition to his/her assignments for evaluations of specific quality control policies and procedures. Each team member reviewing a relatively small organization generally reviews one to two engagements.

Typically, you will assign team members major functional areas (e.g., independence, competence, etc.) in the quality control policies and procedures to review prior to the beginning of field work.

■ *What is involved in providing instructions to team members concerning the manner in which working papers are to be prepared?*

Part of your responsibility in supervising the team members is to provide instructions on how the working papers are to be prepared. Working papers should be prepared and organized appropriately as in any audit situation (suggested working paper index references can be found in the Standard Work Program in Section IV). You should give particular attention to the importance of the condition of those working papers that summarize the team's findings and conclusions.

■ *What is involved in the review of work performed by team members?*

The work performed by team members includes completing assigned functional areas in the quality control policies and procedures, reviewing assigned engagements, and providing assistance to you in completing the various peer review documents. You review this work to ensure that it conforms to the policies and procedures of the NSAA External Peer Review Program and that it provides an adequate basis for the peer review report.

■ *When would I need to consult with the concurring reviewer, the Administrator, or the Chair of the NSAA Peer Review Committee concerning the review?*

You should remain in communication with the concurring reviewer throughout the review including planning the preliminary visit (if applicable), determining the scope and period of the review, selecting engagements, and assessing the size and composition of the review team. The Administrator and the Chair of the NSAA Peer Review Committee should also be consulted in any of the following circumstances:

- the state audit organization wants to limit the scope of the review,
- technical assistance or expert opinion from sources outside NSAA are being considered,
- a peer review rating other than *pass* is being considered by the review team,
- an unresolved disagreement occurs within the review team,
- an unresolved disagreement occurs between the team leader and concurring reviewer,
- an unresolved disagreement occurs between the review team and the state audit organization,
- the review may be discontinued before completion, or
- major difficulties are encountered or circumstances appear to indicate a significant departure from established guidelines.

The manual provides details on procedures you should follow in these circumstances. (See manual sections: “Determining the Scope of the Review” page II-14; “Forming Conclusions on the Type of Report to Issue” page II-23; “Reporting Matrix – General Guidance for Reporting Considerations” page II-26; “Disagreement Within Review Teams” page II-27; “Disagreements Between the Review Team and the State Audit Organization Regarding the Type of Peer Review Report” page II-28; and “Engagements Discontinued Before Completion” page II-28.)

■ *How do I conduct the exit conference with the reviewed audit organization?*

After the team has reviewed all assigned engagements and completed the necessary documentation, you draft the peer review report. You discuss the draft report with the concurring reviewer and arrange for the exit conference. Before attending the exit conference, you provide a copy of the draft peer review report to the state audit organization. During the exit conference, you communicate your findings and hear the responses of state audit personnel.

You should also discuss, as appropriate, any matters documented on MFC form(s), findings documented on FFC form(s), deficiencies or significant deficiencies to be included in the peer review report, and the type of report to be issued (see page II-27). You should also communicate, if applicable, that the audit organization will be required to respond to any findings documented on FFC form(s), and/or any deficiency(ies) or significant deficiencies included in the peer review report. You may also provide suggestions for improving audit or attest processes or procedures to the audit organization that are not included in the report, FFC form(s), or MFC form(s).

Responses of state audit organization personnel at the exit conference should be considered and revisions to the draft peer review report may be required. Additional field work may also be necessary if circumstances warrant further procedures. Information contained in the review team’s working papers may be made available to the reviewed state audit organization, if requested, in order to clarify questions concerning the team’s findings. The review team should provide a final draft of the peer review report to the state audit organization before leaving the field.

■ *How do I complete the report?*

You will present the draft peer review report for discussion at the exit conference. Based on the responses of audit personnel, you may revise the draft peer review report and provide the revised draft report to the state audit organization. When the peer review report rating is *pass with deficiency(ies)* or *fail*, you will request from the state audit organization a written response that addresses the deficiency(ies) or significant deficiency(ies) that resulted in the rating of *pass with deficiency(ies)* or *fail*. The response should be placed on the state audit organization’s letterhead and be signed by the principal of the organization.

If necessary, after leaving the offices of the state audit organization, you will coordinate with the state audit organization, individual team members, and the concurring reviewer on any additional revisions to the peer review report. (See manual page II-28.) If the peer review rating is *pass with deficiency(ies)* or *fail*, you should attach the audit organization’s response to the peer review for issuance. The peer review report should not be issued until after the concurring reviewer has completed his/her review and resolved any questions.

■ *How do I evaluate each team member's work to identify potential team leaders for subsequent reviews?*

In conjunction with the concurring reviewer, you evaluate the performance of each team member after completing the review. The evaluation should contain your recommendation concerning the individual's assignment to future reviews or consideration as a team leader. A team member can be recommended to serve as a team leader or again as a team member. A recommendation can also be made for no participation on future review teams. You should use the "Team Member Recommendation Form" to provide your recommendation to the NASACT staff. (See manual pages II-31 and III-43.)

■ *Can the review team leave early if the review is completed ahead of schedule?*

In the event the review team completes its work ahead of schedule and would like to leave early, you should contact the Coordinator. Before the team is allowed to leave, the Coordinator will analyze the overall costs to ensure that it is cost beneficial to the reviewed state audit organization for the team to leave early. That is, savings in hotel charges and per diem costs must outweigh the extra costs for airline tickets including any applicable cancellation fees. If the savings are justified, team members will be given approval to make the appropriate changes in their flight schedules and will be reimbursed for any cancellation fees charged by the airline.

## **Responsibilities of a Concurring Reviewer**

### **Objective**

The objective of this section is to describe the concurring reviewer's responsibilities and the procedures the concurring reviewer must perform to fulfill those responsibilities. After completing this section, you should be able to apply to the concurring reviewer role your previous knowledge and understanding of the external peer review process.

### **Primary Responsibilities of a Concurring Reviewer**

■ *What are the concurring reviewer's primary responsibilities?*

As the concurring reviewer, you serve in the most senior review position of the review team. Concurring reviewers are essential to the peer review process and are selected based upon having significant education, training, and previous experience conducting external peer reviews. The concurring reviewer is responsible for ensuring the review has been performed in accordance with the policies and procedures established by NSAA. Accordingly, the concurring reviewer is an integral member of the team.

The manual states that the concurring reviewer's primary responsibilities include the following: (See manual page II-8.)

1. Assist the team leader in coordinating and planning the review, including ensuring the adequacy of the review team. If a preliminary site visit is warranted, the concurring reviewer generally will not accompany the team leader on the preliminary visit unless circumstances warrant his/her attendance. The team leader and concurring reviewer will consider the circumstances of the engagement and make this determination.
2. Assist the team leader and review team members concerning any problems arising during the course of the review.
3. Consult with the Administrator and the NSAA Peer Review Committee Chair as needed.
4. Review the team's working papers, including the appropriateness of the disposition of matters noted during the peer review.
5. Review the draft finding for further consideration forms (FFC form), if applicable, and the draft peer review report.
6. Attend and participate in the exit conference with the review team. Ensure the exit conference is appropriately documented in the working papers.
7. Assist the team leader in the finalization of the FFC form(s), if applicable, and the peer review report, including signing the peer review report and FFC form(s), if applicable.
8. Consult with the team leader and recommend to NASACT staff on whether each review team member should participate in future reviews as a team leader or as a team member. A recommendation can also be made for no participation on future review teams. You should also make a recommendation to NASACT staff on whether the team leader should participate on another review, either as a team member, a team leader, or a concurring reviewer. A recommendation can also be made that the team leader not serve on a future review team.

### **Fulfilling the Responsibilities of a Concurring Reviewer**

■ *How do I assist the team leader in planning the review?*

You will be appointed to serve on the review team at the same time or as soon as possible after the selection of the review team leader in order to provide immediate assistance in planning the review. One of the first things you will do is assist the team leader in determining the need for an on-site preliminary visit to the office of the state audit organization. A preliminary visit to the office of the state audit organization by the

team leader can be an important aspect of the preliminary phase. However, an on-site preliminary visit may not be needed in every instance. (See manual page II-13.)

For state audit organizations being reviewed under the NSAA External Peer Review Program for the first time, a preliminary visit should be considered. In addition, when the prior peer review rating was *pass with deficiencies* or *fail* (previously modified or adverse) or major changes have occurred in the state audit organization (e.g., new types of audits or new organizational structure), a preliminary visit should be considered. In those instances where previous reviews resulted in a peer review rating of *pass* (previously unmodified) or where there have been no significant changes within the state audit organization, the preliminary visit is generally not necessary. Procedures that are typically performed on site during the preliminary visit can be handled through the mail, fax, email or telephone.

In all instances, a preliminary site visit will be allowed if it is requested by the state audit organization or if you and the team leader deem it to be appropriate. If it is determined that a preliminary site visit is needed (or requested), you will generally not accompany the team leader on the preliminary visit unless circumstances warrant your attendance. Again, you and the team leader will consider the circumstances of the engagement and make this determination.

■ *How do I provide assistance to the team leader and review team members concerning any problems that may arise during the course of the review?*

You are responsible for providing assistance to the team leader and the team members throughout the review and for ensuring the review is performed in accordance with NSAA's policies and procedures. Specifically, you should provide assistance to the team leader in planning the preliminary visit (if applicable), determining the scope and period of the review, selecting engagements, and assessing the size and composition of the review team. In addition, the Administrator and the Chair of the NSAA External Peer Review Committee should also be consulted in any of the following circumstances:

- the state audit organization wants to limit the scope of the review,
- technical assistance or expert opinion from sources outside NSAA are being considered,
- a peer review rating other than *pass* is being considered by the review team,
- an unresolved disagreement occurs within the review team,
- an unresolved disagreement occurs between the team leader and concurring reviewer,
- an unresolved disagreement occurs between the review team and the state audit organization,
- the review may be discontinued before completion, or
- major difficulties are encountered or circumstances appear to indicate a significant departure from established guidelines.

The manual provides details on procedures to be followed in these circumstances. (See manual sections: "Determining the Scope of the Review" page II-14; "Forming Conclusions on the Type of Report to Issue" page II-23; "Reporting Matrix – General Guidance for Reporting Considerations" page II-26; "Disagreement Within Review Teams" page II-27; "Disagreements Between the Review Team and the State Audit Organization Regarding the Type of Peer Review Report" page II-28; and "Engagements Discontinued Before Completion" page II-28.)

■ *When should I consult with the Administrator or the Chair of the NSAA Peer Review Committee?*

You should remain in communication with the team leader and the Administrator throughout the review. You will be contacted by the team leader and will need to be in contact with the Administrator and the NSAA Peer Review Committee if any of the circumstances described above occur.

■ *Why do I review the working papers, findings, and draft peer review report prepared by the review team?*

You review the working papers, findings, and draft peer review report to fulfill your responsibility for ensuring the review is performed in accordance with NSAA's policies and procedures. Your review of the working papers provides an independent assessment of the adequacy of the team's work in providing a basis for the peer review report. (See manual page II-8 and "Standard Work Program" in Section IV.)

■ *What is involved in attending the exit conference with the review team?*

The team leader provides a copy of the draft peer review report to you and to the state audit organization before the exit conference. You discuss the draft report with the team leader and provide any necessary support to the team leader while he/she is communicating the results of the review during the exit conference.

■ *How do I assist the team leader in completing the peer review report?*

Your responsibility for the final peer review report is to serve as a resource and support to the team leader. The team leader may need to revise the draft peer review report based on the state audit organization's responses at the exit conference. In addition, the team leader will request written responses of audit personnel to attach to the final peer review report if applicable. You should review and sign the final documents before their distribution. The peer review report should not be issued until after you have completed your review and resolved any questions.

■ *How do I evaluate each team member's work to identify potential team leaders and concurring reviewers for subsequent reviews?*

In conjunction with the team leader, you evaluate the performance of each team member after completing the review. The evaluation should contain your recommendation concerning the individual's assignment to future reviews or consideration as a team leader. A team member can be recommended to serve as a team leader or again as a team member. A recommendation can also be made for no participation on future review teams. You should use the "Team Member Recommendation Form" to provide your recommendation to the NASACT staff. (See manual pages II-31 and III-43.)

The concurring reviewer should also make a recommendation to NASACT staff on whether the team leader should participate on another review, either as a team member, a team leader, or a concurring reviewer. A recommendation can also be made that the team leader not serve on a future review team. You should use the "Team Leader Recommendation Form" to provide your recommendation to the NASACT staff. (See manual page III-45.)

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## Section VIII

Reporting Examples

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**Table of Contents**

Guidance for Reporting on External Peer Reviews ..... 1

Illustrative Example of a Peer Review Report with a Peer Review Rating of *Pass* ..... 3

Illustrative Example of an Issue Resulting in a Peer Review Report with a Peer Review Rating of *Pass (With a Scope Limitation)* ..... 4

Illustrative Example of an Issue Resulting in a Peer Review Report with a Peer Review Rating of *Pass with Deficiencies* ..... 5

    Examples of Issues to Consider for Inclusion in a Peer Review Report with a Peer Review Rating of *Pass with Deficiencies* ..... 6

        Planning and Audit Documentation ..... 6

        Evidence ..... 6

        Independence ..... 7

Illustrative Example of an Issue Resulting in a Peer Review Report with a Peer Review Rating of *Pass with Deficiencies (With a Scope Limitation)* ..... 9

Illustrative Example of an Issue Resulting in a Peer Review Report with a Peer Review Rating of *Fail* ..... 11

Illustrative Example of an Issue Resulting in a Peer Review Report with a Peer Review Rating of *Fail (With a Scope Limitation)* ..... 13

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**Guidance for Reporting on External Peer Reviews**

The review team must use professional judgment in determining the type of peer review report to issue. This judgment requires the consideration of several factors, including an understanding of the audit organization's system of quality control and the nature, causes, pattern, and pervasiveness of matters and their relative importance to the audit organization's system of quality control taken as a whole, including limitations on the scope of the review. A general reporting matrix on page II-27 provides guidance on various reporting considerations for this process.

The three types of peer review reports are described below.

***Peer Review Report with a Peer Review Rating of Pass***

A report with a peer review rating of *pass* should be issued when the review team concludes that the audit organization's system of quality control has been suitably designed and complied with to provide the audit organization with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. There are no deficiencies or significant deficiencies that affect the nature of the report and, therefore, the report does not contain any deficiencies, significant deficiencies, or recommendations.

***Peer Review Report with a Peer Review Rating of Pass with Deficiencies***

A report with a peer review rating of *pass with deficiencies* should be issued when the review team concludes that the audit organization's system of quality control has been suitably designed and complied with to provide the audit organization with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects with the exception of a certain deficiency or deficiencies that are described in the report. These deficiencies are conditions related to the audit organization's design of and compliance with its system of quality control that could create a situation in which the audit organization would have less than reasonable assurance of performing and/or reporting in conformity with applicable professional standards in one or more important respects due to the nature, causes, pattern, or pervasiveness, including the relative importance of the deficiencies to the quality control system taken as a whole.

A peer review report rating of *pass with deficiencies* is appropriate when the review team determines that compliance matter(s) (including any design matters in the quality control system that allowed such noncompliance) identified during the review of individual engagements are serious and pervasive such that the system of quality control does not provide reasonable assurance of conformance with at least one of the applicable professional standards. The Conclusions document lists the applicable professional standards of the AICPA AU-C, AT and GAGAS sections. However, overall the organization's quality control system did provide reasonable assurance of complying with these applicable professional standards in all material respects.

The review team should consider the pattern and pervasiveness of matters and their implications for compliance with the audit organization's system of quality control as a whole, in addition to their nature, causes, and relative importance in the specific circumstances in which they were observed in making this determination. The review team should consider these factors when determining the effect noted matters have on the state audit organization. For example, the review team may believe that several individual professional standards are impacted by the noted matters and therefore, the overall system of quality control does not provide reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. In this case, a peer review rating of fail (discussed below) may be appropriate. On the other hand, the effect of the matters may have been limited to parts of individual standards found on individual engagements reviewed (e.g., developing an audit plan under the standard planning an audit). While the matters were pervasive, the review team does not believe they were serious, or pervasive enough to the whole standard (e.g., planning an audit) to provide a peer review rating of pass with deficiency. In this case, the review team issues a peer review rating of pass. Findings should be documented on an FFC form(s) and retained in the working papers.

In all cases, the team should use sound professional judgment to consider the extent of the engagements involved and the significance of the noncompliance identified (including any design matters in the quality control system that allowed such noncompliance) to the overall audit effort of the organization. Sound professional judgment is especially important in peer reviews since the severity of matters is difficult to measure quantitatively.

#### *Peer Review Report with a Peer Review Rating of Fail*

A report with a peer review rating of *fail* should be issued when the review team has identified significant deficiencies and concludes that the audit organization's system of quality control is not suitably designed to provide the audit organization with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects or the audit organization has not complied with its system of quality control to provide the audit organization with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects.

Again, the review team should consider the pattern and pervasiveness of matters and their implications for compliance with the audit organization's system of quality control as a whole, in addition to their nature, causes, and relative importance in the specific circumstances in which they were observed in determining the appropriate level of reporting. The effect of the noncompliance (and related quality control system matters) must be so severe on the overall system of quality control as to preclude the expression of a peer review rating of *pass with deficiencies*. Sound professional judgment should be used in issuing a peer review rating of *fail*.

#### *Scope Limitation*

When the scope of the review is limited by conditions that preclude the application of one or more peer review procedures considered necessary in the circumstances and the peer reviewer cannot accomplish the objectives of those procedures through alternative procedures, the types of reports described above are modified by including statements in the report's scope paragraph, body and opinion paragraph. These statements describe the relationship of the excluded audit(s) or functional area(s) to the reviewed organization's full scope of practice and system of quality control and the effects of the exclusion on the scope and results of the review.

**Below are report illustrations and examples of issues that could fall into the various report rating categories available to a review team. They are simply illustrations/examples and are not intended to provide rules. Rather, these illustrations/examples are intended to provide the peer review team assistance in evaluating matters discovered on a review. Each circumstance should be considered in the context of the entity reviewed. The illustrations/examples assume the provisions of the reporting matrix on page II-26 are being followed.**

Issues that potentially could result in a peer review rating of *pass with deficiencies* or *fail* should be communicated to the Peer Review Committee Chair and the Administrator. The Committee Chair and the Administrator function in an advisory capacity in such circumstances.

## Illustrative Example of Peer Review Report with a Peer Review Rating of *Pass*

### PEER REVIEW REPORT Date (Last day of fieldwork)

State Auditor  
State Capitol  
Any State

Dear State Auditor:

We have reviewed the system of quality control of [name of audit organization] (the office) in effect for the period [insert review period]. A system of quality control encompasses the office's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The design of the system and compliance with it are the responsibility of the office. Our responsibility is to express an opinion on the design of the system and the office's compliance with the system based on our review.

We conducted our review in accordance with the policies and procedures for external peer reviews established by the National State Auditors Association (NSAA). In performing our review, we obtained an understanding of the office's system of quality control for engagements conducted in accordance with professional standards. In addition, we tested compliance with the office's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of the office's policies and procedures on selected engagements. The engagements selected represented a reasonable cross-section of the office's engagements conducted in accordance with professional standards. We believe that the procedures we performed provide a reasonable basis for our opinion.

Our review was based on selective tests; therefore, it would not necessarily disclose all design matters in the system of quality control or all compliance matters with the system. Also, there are inherent limitations in the effectiveness of any system of quality control; therefore, noncompliance with the system of quality control may occur and not be detected. Projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or because the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the system of quality control of [name of audit organization] in effect for the period [insert review period] has been suitably designed and was complied with during the period to provide the audit organization with reasonable assurance of performing and reporting in conformity with *Government Auditing Standards* in all material respects. Audit organizations can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. The [name of audit organization] has received a peer review rating of *pass*.

[Signature of team leader and concurring reviewer]

**Illustrative Example of an Issue Resulting in a Peer Review Report with a Peer Review Rating of Pass (With a Scope Limitation)**

**PEER REVIEW REPORT**  
Date (Last day of fieldwork)

State Auditor  
State Capitol  
Any State

Dear State Auditor:

We have reviewed the system of quality control of [name of audit organization] (the office) in effect for the period [insert review period]. A system of quality control encompasses the office's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The design of the system and compliance with it are the responsibility of the office. Our responsibility is to express an opinion on the design of the system and the office's compliance with the system based on our review.

We conducted our review in accordance with the policies and procedures for external peer reviews established by the National State Auditors Association (NSAA). In performing our review, we obtained an understanding of the office's system of quality control for engagements conducted in accordance with professional standards. In addition, we tested compliance with the office's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of the office's policies and procedures on selected engagements. The engagements selected represented a reasonable cross-section of the office's engagements conducted in accordance with professional standards. We believe that the procedures we performed provide a reasonable basis for our opinion.

Our review was based on selective tests; therefore, it would not necessarily disclose all design matters in the system of quality control or all compliance matters with the system. Also, there are inherent limitations in the effectiveness of any system of quality control; therefore, noncompliance with the system of quality control may occur and not be detected. Projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or because the degree of compliance with the policies or procedures may deteriorate.

In performing our review, the office informed us that we would be unable to select its audit of the [Comprehensive Annual Financial Report] for a certain government entity. As a result, we were unable to include this audit within the scope of our review. This is the audit organization's largest audit engagement of the governmental entity and represented [x%] of the total work effort for the organization.

In our opinion, except for any deficiencies or significant deficiencies that might have come to our attention had we not been limited in scope as noted above, the system of quality control of [name of audit organization] in effect for the period [insert review period] has been suitably designed and was complied with during the period to provide the audit organization with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Audit organizations can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. The [name of audit organization] has received a peer review rating of *pass (with a scope limitation)*.

[Signature of team leader and concurring reviewer]

**Illustrative Example of an Issue Resulting in a Peer Review Report with a Peer Review Rating of *Pass with Deficiencies***

**PEER REVIEW REPORT**  
Date (Last day of fieldwork)

State Auditor  
State Capitol  
Any State

Dear State Auditor:

We have reviewed the system of quality control of [name of audit organization] (the office) in effect for the period [insert review period]. A system of quality control encompasses the office's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The design of the system and compliance with it are the responsibility of the office. Our responsibility is to express an opinion on the design of the system and the office's compliance with the system based on our review.

We conducted our review in accordance with the policies and procedures for external peer reviews established by the National State Auditors Association (NSAA). In performing our review, we obtained an understanding of the office's system of quality control for engagements conducted in accordance with professional standards. In addition, we tested compliance with the office's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of the office's policies and procedures on selected engagements. The engagements selected represented a reasonable cross-section of the office's engagements conducted in accordance with professional standards. We believe that the procedures we performed provide a reasonable basis for our opinion.

Our review was based on selective tests; therefore, it would not necessarily disclose all design matters in the system of quality control or all compliance matters with the system. Also, there are inherent limitations in the effectiveness of any system of quality control; therefore, noncompliance with the system of quality control may occur and not be detected. Projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or because the degree of compliance with the policies or procedures may deteriorate.

We noted the following deficiency(ies) during our review:

1. Deficiency—[describe the deficiency (each deficiency should be numbered)]  
Recommendation—[describe the recommendation]  
*See examples below.*

In our opinion, except for the effects of the deficiency(ies) described above, the system of quality control for the [name of audit organization] in effect for the period [insert review period] has been suitably designed and complied with to provide the audit organization with reasonable assurance of performing and reporting in conformity with *Government Auditing Standards* in all material respects. Audit organizations can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. The [name of audit organization] has received a peer review rating of *pass with deficiencies*.

In the attached correspondence dated [date], the [name of audit organization] provided its response to the report recommendation(s).

[Signature of team leader and concurring reviewer]

Examples of Issues to Consider for Inclusion in a Peer Review Report with a  
Peer Review Rating of *Pass with Deficiencies*

**Planning and Audit Documentation**

**Example of Design Deficiency**

1. Deficiency – AICPA and government auditing standards require that audit work should be adequately planned and audit staff should be properly supervised.

The state audit organization's quality control policies and procedures do not require supervisory reviews of audit documentation. As a result, our review determined that the lack of adequate and timely supervision through reviews of audit documentation led directly to certain errors, omissions, and inconsistencies in the audit documentation which impacted the conclusions of some audit objectives.

Recommendation – We recommend that the state audit organization develop quality control policies and procedures to require timely supervisory reviews of audit documentation.

**Example of Compliance Deficiency**

1. Deficiency – AICPA and government auditing standards require that audit work should be adequately planned and audit staff should be properly supervised.

The state audit organization's quality control policies and procedures require supervisory reviews of audit documentation. Our review determined that failure to provide adequate and timely supervision through reviews of audit documentation led directly to certain errors, omissions, and inconsistencies in the working papers which impacted the conclusions of some audit objectives. We found errors and omissions that indicated supervisory reviews were not achieving desired results or were not performed at all.

Recommendation – We recommend that the state audit organization emphasize the importance of the supervisory review process and take necessary action to strengthen its adherence to its established quality control policies and procedures in this area. The state audit organization should follow up on its action through internal reviews to ensure corrective steps are implemented immediately.

**Evidence**

**Example of Design Deficiency**

1. Deficiency – AICPA and government auditing standards require that sufficient, appropriate audit evidence be obtained through observation, inquiries, inspection, and confirmations to provide a basis for the auditor's opinion regarding the financial statements under audit.

The audit organization's quality control policies and procedures for engagement performance regarding the gathering of sufficient, appropriate audit evidence were not appropriately designed. Specifically, policies and procedures for obtaining external confirmations on material (1) bank deposits, investments, and securities pledged to secure bank deposits and (2) accounts receivable were vague and insufficient. As a result, the audit organization's audit documentation did not contain evidence that material bank deposits and receivables were independently confirmed. These omissions existed in audit documentation of multiple engagements.

Recommendation – We recommend that the state audit organization revise its quality control policies and procedures to include a requirement for external confirmations of all material (1)

bank deposits, investments, and securities pledged to secure bank deposits and (2) accounts receivable.

### **Example of Compliance Deficiency**

1. Deficiency – AICPA and government auditing standards require that sufficient, appropriate audit evidence be obtained through observation, inquiries, inspection, and confirmations to provide a reasonable basis for the auditor’s opinion regarding the financial statements under audit.

Our review of audit documentation of multiple engagements revealed recurring and pervasive noncompliance with the state audit organization’s quality control policies and procedures to obtain external confirmations on material (1) bank deposits, investments, and securities pledged to secure bank deposits and (2) accounts receivable. This lack of compliance with the audit organization’s system of quality control failed to provide the audit organization with reasonable assurance of complying with the evidence standard.

Recommendation – We recommend that the state audit organization emphasize and enforce its quality control policies and procedures related to external confirmations for all material (1) bank deposits, investments, and securities pledged to secure bank deposits and (2) accounts receivable. This should be discussed at the next staff training session.

## **Independence**

### **Example of Design Deficiency**

1. Deficiency – Government auditing standards require that in all matters relating to the audit work, the audit organization and the individual auditor, whether government or public, must be independent.

The audit organization’s quality control policies and procedures do not require auditors to apply government auditing standards’ conceptual framework to assess independence. During our review, we determined that the state audit organization has an impairment to independence because the audit organization head serves as a voting member on a number of audited entities’ management committee or board of directors including several that exercise significant influence over the operating, financial, and accounting policies of the state.

Recommendation – We recommend that the audit organization revise its quality control policies and procedures to require that auditors should apply the conceptual framework at the audit organization, audit, and individual auditor level to (a) identify threats to independence; (b) evaluate the significance of the threats identified, both individually and in the aggregate; and (c) apply safeguards as necessary to eliminate the threats or reduce them to an acceptable level.

### **Example of Compliance Deficiency**

1. Deficiency – Government auditing standards require that in all matters relating to the audit work, the audit organization and the individual auditor, whether government or public, must be independent.

The state audit organization has an impairment to independence because the audit organization head serves as a voting member on a number of audited entities’ management committee or board of directors including several that exercise significant influence over the operating, financial, and accounting policies of the State.

*Recommendation* – We recommend that the audit organization decline the audit of those entities upon which the head of the audit organization serves as a voting member on either the management committee or the board of directors. In those situations where the head of the audit organization is required to perform the audit by constitution or statute, thereby eliminating the option to decline the audit, the head of the audit organization should disclose the nature of the threat that could not be eliminated or reduced to an acceptable level, and modify the GAGAS compliance statement accordingly.

*Review team guidance for independence issues* – The peer review team should consider the context of the situation related to the overall activities of the state audit organization. The following are issues the peer review team might consider in deciding the appropriate level of reporting.

- Are these entities material or significant to the financial statements of the reporting entity taken as a whole? Are these management committees or boards of directors material to the entities audited by the state audit organization in terms of total audit effort (i.e., audit hours)? If these entities are not material, the peer review team may want to consider reporting this finding as a Finding for Further Consideration.
- Does the state audit organization conduct the audit of these entities, or are these audits conducted by independent public accounting firms? If the state audit organization conducts the audit of these entities, then a peer review report with a rating of pass with deficiencies may be justified assuming they are material to the reporting entity and the state audit organization head votes and actively participates in the management committee or board of directors (discussed below). On the other hand, if these audits are conducted by independent public accounting firms, then a peer review report with a rating of pass with deficiencies may not be warranted.
- What are voting privileges of the state audit organization head on the management committee or board of directors (e.g., is the state audit organization head a voting member or does he/she serve only in an ex-officio, non-voting capacity)? If a voting member, the state audit organization head is likely to be in a position to influence management decisions. In this case, the peer review team may want to issue a peer review report with a rating of pass with deficiencies, assuming the management committee or board of directors is material. Conversely, if the state audit organization head is a non-voting member, then the state audit organization head is not likely to be in a position to have influence over the management decisions of the entity. Accordingly, the peer review team would not likely issue a modified opinion but may want to consider reporting the noncompliance as a Finding for Further Consideration.
- Is the state audit organization head required by statute or regulation to serve on the boards and commissions? Further, is the state audit organization head also required by statute or regulation to audit the boards or commissions? If the answers to these questions are “yes,” government auditing standards require in paragraph 3.44 that the head of the audit organization disclose the nature of the threat that could not be eliminated or reduced to an acceptable level and modify the GAGAS compliance statement accordingly. Was the GAGAS compliance statement modified appropriately? If it was, then government auditing standards have not been violated and a peer review report with a rating of pass with deficiencies would not be issued. If the situation was not disclosed, then the peer review report with a rating of pass with deficiencies may be justified, assuming the entities are material to the financial statements of the reporting entity taken as a whole and the state audit organization head serves in a voting capacity.

**Illustrative Example of an Issue Resulting in a Peer Review Report with a Peer Review Rating of *Pass with Deficiencies (With a Scope Limitation)***

**PEER REVIEW REPORT**  
Date (Last day of fieldwork)

State Auditor  
State Capitol  
Any State

Dear State Auditor:

We have reviewed the system of quality control of [name of audit organization] (the office) in effect for the period [insert review period]. A system of quality control encompasses the office's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The design of the system and compliance with it are the responsibility of the office. Our responsibility is to express an opinion on the design of the system and the office's compliance with the system based on our review.

We conducted our review in accordance with the policies and procedures for external peer reviews established by the National State Auditors Association (NSAA). In performing our review, we obtained an understanding of the office's system of quality control for engagements conducted in accordance with professional standards. Except as noted below, we tested compliance with the office's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of the office's policies and procedures on selected engagements. The engagements selected represented a reasonable cross-section of the office's engagements conducted in accordance with professional standards. Except as noted below, the engagements selected represent a reasonable cross-section of the office's engagements conducted in accordance with professional standards. We believe that the procedures we performed provided a reasonable basis for our opinion.

Our review was based on selective tests; therefore, it would not necessarily disclose all design matters in the system of quality control or all compliance matters with the system. Also, there are inherent limitations in the effectiveness of any system of quality control; therefore, noncompliance with the system of quality control may occur and not be detected. Projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or because the degree of compliance with the policies or procedures may deteriorate.

In performing our review, the office informed us that we would be unable to select its audit of the [Comprehensive Annual Financial Report] for a certain government entity. As a result, we were unable to include this audit within the scope of our review. This is the audit organization's largest audit engagement of the governmental entity and represented [x%] of the total work effort for the organization.

We noted the following deficiency(ies) during our review: [deficiencies should be numbered]

1. ***Deficiency*** – AICPA and government auditing standards require that audit work should be adequately planned and audit staff should be properly supervised.

The state audit organization's quality control policies and procedures do not require supervisory reviews of audit documentation. As a result, our review determined that the lack of adequate and timely supervision through reviews of audit documentation led directly to certain errors, omissions, and inconsistencies in the audit documentation which impacted the conclusions of some audit objectives.

***Recommendation*** – We recommend that the state audit organization develop quality control policies and procedures to require timely supervisory reviews of audit documentation.

In our opinion, except for the effects of the deficiency(ies) described above and any additional deficiencies or significant deficiencies that might have come to our attention had we not been limited in scope as noted above, the system of quality control of [name of audit organization] in effect for the period [insert review period] has been suitably designed and was complied with during the period to provide the audit organization with reasonable assurance of performing and reporting in conformity with government auditing standards in all material respects. Audit organizations can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. The [name of audit organization] has received a peer review rating of *pass with deficiencies (with a scope limitation)*.

In the attached correspondence dated [date], the [name of audit organization] provided its response to the report recommendation(s).

*[Signature of team leader and concurring reviewer]*

**Illustrative Example of an Issue Resulting in a Peer Review Report with a Peer Review Rating of Fail**

**PEER REVIEW REPORT**  
Date (Last day of fieldwork)

State Auditor  
State Capitol  
Any State

Dear State Auditor:

We have reviewed the system of quality control of [name of audit organization] (the office) in effect for the period [insert review period]. A system of quality control encompasses the office's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The design of the system and compliance with it are the responsibility of the office. Our responsibility is to express an opinion on the design of the system and the office's compliance with the system based on our review.

We conducted our review in accordance with the policies and procedures for external peer reviews established by the National State Auditors Association (NSAA). In performing our review, we obtained an understanding of the office's system of quality control for engagements conducted in accordance with professional standards. Except as noted below, we tested compliance with the office's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of the office's policies and procedures on selected engagements. The engagements selected represented a reasonable cross-section of the office's engagements conducted in accordance with professional standards. Except as noted below, the engagements selected represent a reasonable cross-section of the office's engagements conducted in accordance with professional standards. We believe that the procedures we performed provided a reasonable basis for our opinion.

Our review was based on selective tests; therefore, it would not necessarily disclose all design matters in the system of quality control or all compliance matters with the system. Also, there are inherent limitations in the effectiveness of any system of quality control; therefore, noncompliance with the system of quality control may occur and not be detected. Projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or because the degree of compliance with the policies or procedures may deteriorate.

We noted the following significant deficiency during our review: [deficiencies should be numbered]

1. **Deficiency** – AICPA and government auditing standards require that work should be adequately planned and audit staff should be properly supervised. Those standards also require that sufficient, appropriate audit evidence be obtained through observation, inquiries, or inspection to provide a basis for the auditor's opinion regarding the financial statements under audit.

The state audit organization's quality control policies and procedures do not require a written audit plan or supervisory review of audit documentation. As a result, many of the engagements we reviewed lacked sufficient, appropriate evidence to provide a basis for the opinion expressed on those engagements. These deficiencies in the audit organization's system of quality control and the resulting violations of professional standards failed to provide the audit organization with reasonable assurance of complying with government auditing standards.

**Recommendation** – We recommend that the state audit organization develop quality control policies and procedures to require a written audit plan for all engagements and require timely supervisory reviews of audit documentation. Implementation of these new policies and procedures should be addressed in the next staff training session.

2. Deficiency – Government auditing standards require that in all matters relating to the audit work, the audit organization and the individual auditor, whether government or public, must be independent.

The audit organization's quality control policies and procedures do not require auditors to apply government auditing standards' conceptual framework to assess independence. During our review, we determined that the state audit organization has an impairment to independence because the audit organization head serves as a voting member on a number of audited entities' management committee or board of directors including several that exercise significant influence over the operating, financial, and accounting policies of the state.

Recommendation – We recommend that the audit organization revise its quality control policies and procedures to require that auditors apply the conceptual framework at the audit organization, audit, and individual auditor level to (a) identify threats to independence; (b) evaluate the significance of the threats identified, both individually and in the aggregate; and (c) apply safeguards as necessary to eliminate the threats or reduce them to an acceptable level.

In our opinion, as a result of the significant deficiencies described above, the system of quality control of the [name of audit organization] in effect for the period [insert review period] was not suitably designed or complied with during the period to provide the audit organization with reasonable assurance of performing and/or reporting in conformity with *Government Auditing Standards* in all material respects. Audit organizations can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. The [name of audit organization] has received a peer review rating of *fail*.

In the attached correspondence dated [date], the [name of audit organization] provided its response to the report recommendation(s).

[Signature of team leader and concurring reviewer]

**Illustrative Example of an Issue Resulting in a Peer Review Report with a Peer Review Rating of Fail (With a Scope Limitation)**

**PEER REVIEW REPORT**  
Date (Last day of fieldwork)

State Auditor  
State Capitol  
Any State

Dear State Auditor:

We have reviewed the system of quality control of [name of audit organization] (the office) in effect for the period [insert review period]. A system of quality control encompasses the office's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The design of the system and compliance with it are the responsibility of the office. Our responsibility is to express an opinion on the design of the system and the office's compliance with the system based on our review.

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Our review was based on selective tests; therefore, it would not necessarily disclose all design matters in the system of quality control or all compliance matters with the system. Also, there are inherent limitations in the effectiveness of any system of quality control; therefore, noncompliance with the system of quality control may occur and not be detected. Projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or because the degree of compliance with the policies or procedures may deteriorate.

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We noted the following significant deficiencies during our review: [deficiencies should be numbered]

1. **Deficiency** – AICPA and government auditing standards require that work should be adequately planned and audit staff should be properly supervised. Those standards also require that sufficient, appropriate audit evidence be obtained through observation, inquiries, or inspection to provide a basis for the auditor's opinion regarding the financial statements under audit.

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Recommendation – We recommend that the audit organization revise its quality control policies and procedures to require that auditors apply the conceptual framework at the audit organization, audit, and individual auditor level to (a) identify threats to independence; (b) evaluate the significance of the threats identified, both individually and in the aggregate; and (c) apply safeguards as necessary to eliminate the threats or reduce them to an acceptable level.

In our opinion, as a result of the significant deficiencies described above, and any additional significant deficiency(ies) that might have come to our attention had we not been limited in scope as noted above, the system of quality control of [name of audit organization] in effect for the period [insert review period] was not suitably designed or complied with during the period to provide the audit organization with reasonable assurance of performing and reporting in conformity with *Government Auditing Standards* in all material respects. Audit organizations can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. The [name of audit organization] has received a peer review rating of *fail (with a scope limitation)*.

In the attached correspondence dated [date], the [name of audit organization] provided its response to the report recommendation(s).

[Signature of team leader and concurring reviewer]