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PREFACE

This book reduces the official language of Statements on Auditing Standards (SAS), Statements on Standards for Attestation Engagements (SSAE), Statements on Standards for Accounting and Review Services (SSARS), and the interpretations of those standards to easy-to-read and understandable advice. It is designed to help CPAs in the application of, and compliance with, authoritative standards. One of its key features is the separation of those things specifically required from advice, observations, and other subordinate information. Thus, a user may quickly identify the minimum requirements of an SAS, an SSAE, or an SSARS.

This book follows the sequence of sections of the AICPA Codification of Statements on Auditing Standards, the Codification of Statements on Standards for Attestation Engagements, and the Codification of Statements on Standards for Accounting and Review Services. Sections are divided into the following easy-to-understand parts:

- Effective Date and Applicability
- Definitions of Terms
- Objectives of Section
- Fundamental Requirements
- Interpretations
- Techniques for Application
- Illustrations

**Effective Date and Applicability.** A handy, brief identification of the original standard for the section, its effective date, and the circumstances that require the application of the section.

**Definitions of Terms.** A glossary of official definitions that gathers in one place explanations of terms that are ordinarily scattered throughout a standard.

**Objectives of Section.** A behind-the-scenes explanation of the reasons for the pronouncement and a capsule explanation of the most basic ideas of the section.

**Fundamental Requirements.** Concise listing and descriptions of those things specifically mandated by the section.

**Interpretations.** A brief summary of each interpretation.

**Techniques for Application.** Helpful techniques for complying with the fundamental requirements of the section.

**Illustrations.** Examples of the application of the fundamental requirements of the section.

Selected AICPA Practice Alerts and Audit Issues Task Force Advisories have also been summarized in certain sections.

As with all accounting and auditing publications, this book is merely a guide. It is not a substitute for professional judgment. It can, however, be a valuable reference tool.


Steven Bragg
September 2009
ABOUT THE AUTHOR

Steven Bragg, CPA, CMA, CIA, CPIM, has been the chief financial officer or controller of four companies, as well as a consulting manager at Ernst & Young and auditor at Deloitte & Touche. He received a master’s degree in finance from Bentley College, an MBA from Babson College, and a bachelor’s degree in economics from the University of Maine. He is the author of 28 books, including Accounting Best Practices, The Ultimate Accountants’ Reference, and Controllership. He has been the two-time president of the Colorado Mountain Club. He resides with his wife and two daughters in Centennial, Colorado. Sign up for his free accounting best practices newsletter at www.stevebragg.com.
SUMMARY OF KEY CHANGES

This new guide incorporates a number of new AICPA issuances. New Statements on Auditing Standards that are summarized here are Number 115, Communicating Internal Control Related Matters Identified in an Audit, and Number 116, Interim Financial Information. No. 115 establishes standards and provides guidance on communicating matters related to an entity’s control over financial reporting identified in an audit of financial statements. No. 116 establishes standards and provides guidance on the independent accountant’s professional responsibilities when the accountant undertakes an engagement to review interim financial information of a nonissuer.

The guide also includes a new Statement on Standards for Attestation Engagements. It is An Examination of an Entity’s Internal Control over Financial Reporting That Is Integrated with an Audit of its Financial Statements. It establishes requirements and provides guidance that applies when a practitioner is engaged to perform an examination of the design and operating effectiveness of an entity’s internal control over financial reporting that is integrated with an audit of financial statements.

Finally, the guide summarizes two new Statements on Standards for Accounting and Review Services. They are Number 16, Defining Professional Requirements in Statements on Standards for Accounting and Review Services, and Number 18, Applicability of Statements on Standards for Accounting and Review Services. No. 16 sets forth the meaning of certain terms used in Statements on Standards for Accounting and Review Services in describing the professional requirements imposed on accountants performing a compilation or review. No. 18 revises AR section 100 so that Statements on Standards for Accounting and Review Services do not apply when the provisions of AU section 722 apply.