

2023 REAL ESTATE ENTITIES OVERVIEW FOR KNOWLEDGE COACH USERS

PURPOSE

This document is published for the purpose of communicating, to users of the toolset, updates and enhancements included in the current version. This document is not, and should not be used as an audit program to update the audit documentation of an engagement started in a previous version of this product.

WORKPAPER UPDATES AND ROLL FORWARD NOTES

General Roll Forward Note:

You must be the current editor of all Knowledge Coach workpapers to update to the latest content, and you must be the current editor upon opening the updated workpaper for the first time to ensure you see the updated workpaper.

The **2023 Knowledge-Based Audits of Real Estate Entities** have been updated to help auditors conduct efficient and effective audit engagements in accordance with U.S. GAAS and to take into account the latest literature, standards, and guidance, including:

- SAS No. 142, Audit Evidence (effective for periods ending on or after December 15, 2022);
- SAS No. 143, Auditing Accounting Estimates and Related Disclosures (effective for periods ending on or after December 15, 2023);
- SAS No. 144, Amendments to AU-C Sections 501, 540, and 620 Related to the Use of Specialists and the Use of Pricing Information Obtained From External Information Sources (effective for periods ending on or after December 15, 2023);
- SAS No. 145, Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement (effective for periods ending on or after December 15, 2023);
- SAS No. 147, *Inquiries of the Predecessor Auditor Regarding Fraud and Noncompliance With Laws and Regulations*. (effective for audits of financial statements for periods beginning on or after June 30, 2023);
- SAS No. 148, *Amendment to AU-C Section 935*. (effective for compliance audits for fiscal periods ending on or after December 15, 2023, consistent with the effective date of SAS No. 145); and
- AICPA Ethics Interpretation, Information System Services (ET sec.1.295.145).

Auditors who have not implemented the provisions of these standards should use a previous edition of this toolset.

The following standards **have not** been fully incorporated but are discussed in practice alerts:

- Statement on Quality Management Standards (SQMS) No. 1, *A Firm's System of Quality Management* (effective December 15, 2025);
- SQMS No. 2, *Engagement Quality Reviews* (effective December 15, 2025);
- Statement on Auditing Standards (SAS) No. 146, *Quality Management for an Engagement Conducted in Accordance with Generally Accepted Auditing Standards* (effective December 15, 2025).; and
- Statement on Auditing Standards (SAS) No. 149, *Special Considerations—Audits of Group Financial Statements (Including the Work of Component Auditors and Audits of Referred-to Auditors)*.

The 2023 tools include links to detailed analysis related to the steps and processes discussed in the workpapers. Many new tips and examples have been incorporated. Also included are revised financial statement disclosures checklists that provide a centralized resource of the required and recommended U.S. GAAP disclosures and key presentation items currently in effect, using the style referencing under the FASB Accounting Standards Codification™.

The 2023 edition of *Knowledge-Based Audits of Real Estate Entities* includes the following updates:

Note: Accounting Estimates is no longer an audit area. The auditor will identify which audit areas have “Significant Accounting Estimates” in KBA-400 Scoping and Mapping Table. If the user identifies any of the audit areas with accounting estimates these should be added to the risk pane These accounting estimate risk(s) will flow to Table 3 in KBA-400 and to KBA-502 where they will need an individual risk assessment performed at the assertion level. These “Significant Accounting Estimates” will also flow to KBA-105 and the auditor should use AUD-820 for each individual accounting estimate. AUD-820 Accounting Estimates will no longer act like a regular Audit Program, there will be no program step library as the majority of procedures are relevant to each accounting estimate unless hidden based on the Tailoring Questions provided.

Throughout the toolset, language used has been updated for the significant changes in terms and definitions resulting from SASs No. 142-145 including:

- “Risk Assessment Procedures: Obtaining an Understanding of the Entity and Its Environment” replaced with “Risk Assessment Procedures: Obtaining an Understanding of the Entity and Its Environment, the Applicable Financial Reporting Framework, and the Entity’s System of Internal Control”
- “Risk Assessment Procedures: Evaluating the Design of Internal Controls” replaced with “Risk Assessment Procedures: Evaluating the Design of Controls”
- “Performing Audit Procedures: Tests of the Operating Effectiveness of Internal Controls” replaced with “Performing Audit Procedures: Tests of the Operating Effectiveness of Controls”
- “Work of internal auditors” replaced with “Work of the internal audit function”.
- “Audit team members” replaced with “engagement team members”
- “Internal Controls” replaced with *either* “controls” or “system of internal control” as applicable
- “Activity-Level Controls” replaced with “Transaction Controls”
- “Supporting documentation” replaced with “related documentation”
- “Monitoring” replaced with “The entity’s process for monitoring the system of internal control”
- “Relevance of audit evidence” replaced with “sufficiency and appropriateness of audit evidence”
- “Evidence of bias” replaced with “indications of possible management bias”

Knowledge-Based Audit Documents (KBAs)

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
KBA-101 Overall Audit Strategy					
Modify	Reliance on Others Section: Step #2 Table- column 2 header modified to read: <i>Account Balances, Classes of Transactions, Disclosures, Significant Accounting Estimates, and Business Processes Affected</i>	Procedures	New or revised Guidance	SAS-143	
Modify	Reliance on Others Section: Step #4 Table- column 2 header modified to read: <i>Account Balances, Classes of Transactions, Disclosures, Significant Accounting Estimates, and Business Processes Affected</i>	Procedures	New or revised Guidance	SAS-143	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
Modify	Use of Other Information Section: Step #1 Table- column 2 header modified to read: <i>Account Balances, Classes of Transactions, Disclosures, Significant Accounting Estimates, and Business Processes Affected</i>	Procedures	New or revised Guidance	SAS-143	
Modify	Use of Other Information Section: Step #2 Table- column 1 header modified to read: <i>Account Balances, Classes of Transactions, Disclosures, Significant Accounting Estimates, and Business Processes Affected</i>	Procedures	New or revised Guidance	SAS-143	
Modify	Use of Other Information Section: Step #2 Table- column 3 header modified to read: <i>Type and Availability of Information</i>	Procedures	New or revised Guidance	SAS-142	
Modify	Use of Other Information Section: Step #2 Table- new column 4 with header that reads: <i>Source of Information (e.g., management, external parties)</i>	Procedures	New or revised Guidance	SAS-142	
Modify	Use of Other Information Section: Step #3 Table- new column 3 with header that reads: <i>Source of Information (e.g., management, external parties)</i>	Procedures	New or revised Guidance	SAS-142	
Modify	SECTION III: FACTORS THAT WILL DETERMINE THE FOCUS OF THE AUDIT TEAM'S EFFORTS Step #3 – Practice point updated for requirements of SAS-145	Procedures	New or revised Guidance	SAS-145	
New	New Column, “Source of Information (e.g., Management, External Parties)” under question, “Document the computer-assisted auditing techniques (CAATS) that we expect to use on our audit.”	Table	workflow		
New	New Column, “Source of Information (e.g., Management, External Parties)” under question, “Document the reviews of interim financial information we perform for this entity.”	Table	workflow		
KBA-102 Engagement Completion Document					
Modify	Instructions #h. modified to read: Significant accounting estimates and related disclosures.	Instructions	New or Revised Guidance	SAS-145	
New	New column, “If the Matter, Finding, or Issue was not Resolved, Will it be Included in the Current Year?” in the table, “Prior Year Significant Matters, Findings, or Issues”.	Table	workflow		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	Any items marked as “Yes” here will now flow to the Current Year Matters table below.				
KBA-103 Evaluating and Communicating Internal Control Deficiencies					
Modify	<p>New bullet point item added under The importance of the controls to the financial reporting process; for example:</p> <ul style="list-style-type: none"> Controls over the selection and application of significant accounting policies, methods, assumptions, models, and data. Controls over risk management and related systems and data integrity, including when data is obtained from an external information source 	Purpose	New or Revised Guidance	SASs 143 & 145	
New	Table added for documenting rationale regarding findings that are neither material weaknesses nor significant deficiencies.	Procedures	workflow		
KBA-105 Review of Significant Accounting Estimates					
Modify	<p>This workpaper- Purpose, Instructions, and Table have been re-written to comply with the requirements of SAS-143</p> <p>This workpaper will be obsolete after roll forward. Please insert a new version and delete this version.</p> <p>This workpaper is a foundation workpaper and must be inserted after rolling forward.</p> <p>Please note that the auditor should list all Significant Accounting Estimates as a “Significant Accounting Estimate” in the risk pane and perform risk assessment on each Significant Accounting Estimate at the assertion level. Any estimates noted in KBA-105 that are still relevant should be a specific risk in the risk pane and linked to an Audit Area that they are related to. These will then now flow to KBA-105. No user entry of “Significant Accounting Estimates” will be allowed in KBA-105.</p>	Purpose, Instructions, Table	New or Revised Guidance	SAS-143	The rolled forward version of the workpaper is obsolete. Please insert a new version and delete the rolled forward version after review.
KBA-200 Entity Information and Background					
Delete	Steps 5-10 deleted as they are duplicates of information from KBA-101	Procedures	Workflow Improvement		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
KBA-201 Client/Engagement Acceptance and Continuance Form					
Modify	SECTION I: COMMUNICATION WITH PREDECESSOR AUDITORS (APPLICABLE TO NEW CLIENT/ENGAGEMENT ACCEPTANCE DECISIONS ONLY) Step 5b. modified to read as follows: Have you had any significant disagreements or unresolved issues with directors or those charged with governance, senior management, or majority owners as to accounting policies, auditing procedures, disclosures, or reporting matters?	Procedures	Workflow Improvement		
Modify	SECTION I: ASSESSMENT OF THE INTEGRITY OF PRINCIPAL OWNERS, KEY MANAGEMENT, AND THOSE CHARGED WITH GOVERNANCE, AND BUSINESS RISK Step 2d. modified to read as follows: Has the entity or any of its principals ever been charged with fraud or noncompliance with any laws or regulations?	Procedures	Workflow Improvement		
Modify	Predecessor auditor inquiries modified to read: 1. We inquired of the predecessor auditor about whether the predecessor auditor is aware of any conditions, events, or circumstances that we should consider in determining whether to accept the client or the audit engagement, including: <ol style="list-style-type: none"> Identified or suspected fraud involving management, employees who have significant roles in internal control, or others, when the fraud resulted in a material misstatement in the financial statements. Matters involving noncompliance or suspected noncompliance with laws and regulations that came to the predecessor auditor's attention during the audit, other than when matters are clearly inconsequential. Are your responses to the above questions limited in any way? 	Procedures	New or revised Guidance	SAS-147	
New	SECTION II: ASSESSING THE ENTITY'S FINANCIAL VIABILITY 2j. Does the entity own, invest, trade, accept as payment, have custodial responsibilities for, or otherwise transact in digital or crypto assets?	Procedures	Enhancement		
KBA-302 Understanding the Entity and Its Environment					

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
Modify	Instruction section re-written to comply with the requirements of SAS-145	Instructions	New or Revised Guidance	SAS-145	
Modify	<p>SECTION I: INDUSTRY, REGULATORY, AND OTHER EXTERNAL FACTORS</p> <p>1. Industry Condition items after first table modified to read as follows:</p> <p>Document the auditor’s understanding, including how and to what degree inherent risk factors affect the susceptibility of assertions to misstatement in the preparation of the financial statements, based on the understanding obtained. The auditor should refer to <i>RES-019 Example Factors to Be Considered When Understanding the Entity and Its Environment</i>, to ensure that all relevant factors are considered when documenting the auditor’s understanding in memorandum format</p> <p>If not documenting the auditor’s understanding in a memorandum format, for the following factors, indicate those that are relevant in obtaining an understanding of the entity and its environment. For each relevant factor considered below, provide a narrative of your understanding related to industry conditions, including how and to what degree inherent risk factors affect the susceptibility of assertions to misstatement in the preparation of the financial statements, based on the understanding obtained.</p> <p>New Column added to Factor/Understanding table with the header: <i>How and to What Degree Inherent Risk Factors (Complexity, Subjectivity, Change, Uncertainty, Management Bias, Fraud) Affect Susceptibility of Assertions to Misstatement</i></p>	Procedures	New or Revised Guidance	SAS-145	
Modify	<p>SECTION I: INDUSTRY, REGULATORY, AND OTHER EXTERNAL FACTORS</p> <p>2. Regulatory Environment items after first table modified to read as follows:</p> <p>Document the auditor’s understanding, including how and to what degree inherent risk factors affect the susceptibility of assertions to misstatement in the preparation of the financial statements, based on the understanding obtained. The auditor should refer to <i>RES-019 Example Factors to Be Considered When Understanding the Entity and Its Environment</i>, to ensure that all the relevant factors are considered when documenting the auditor’s understanding in memorandum format.</p>	Procedures	New or Revised Guidance	SAS-145	Step b will reset on roll forward due to content changes

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	<p>If not documenting the auditor's understanding in a memorandum format, for the following factors, indicate those that are relevant in obtaining an understanding of the entity and its environment. For each relevant factor considered below, provide a narrative of your understanding related to industry conditions, including how and to what degree inherent risk factors affect the susceptibility of assertions to misstatement in the preparation of the financial statements, based on the understanding obtained.</p> <p>New Column added to Factor/Understanding table with the header: <i>How and to What Degree Inherent Risk Factors (Complexity, Subjectivity, Change, Uncertainty, Management Bias, Fraud) Affect Susceptibility of Assertions to Misstatement</i></p> <p>Factor/Understanding item b. deleted and replaced with: Regulatory factors relevant to the entity's accounting estimates, including, when applicable, regulatory frameworks.</p>				
Modify	<p>SECTION I: INDUSTRY, REGULATORY, AND OTHER EXTERNAL FACTORS</p> <p>3. Other External Factors items after first table modified to read as follows:</p> <p>Document the auditor's understanding, including how and to what degree inherent risk factors affect the susceptibility of assertions to misstatement in the preparation of the financial statements, based on the understanding obtained. The auditor should refer to RES-019 Example Factors to Be Considered When Understanding the Entity and Its Environment, to ensure that all relevant factors are considered when documenting the auditor's understanding in memorandum format</p> <p>If not documenting the auditor's understanding in a memorandum format, for the following factors, indicate those that are relevant in obtaining an understanding of the entity and its environment. For each relevant factor considered below, provide a narrative of your understanding related to industry conditions, including how and to what degree inherent risk factors affect the susceptibility of assertions to misstatement in the</p>	Procedures	New or Revised Guidance	SAS-145	

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	<p>preparation of the financial statements, based on the understanding obtained.</p> <p>New Column added to Factor/Understanding table with the header: <i>How and to What Degree Inherent Risk Factors (Complexity, Subjectivity, Change, Uncertainty, Management Bias, Fraud) Affect Susceptibility of Assertions to Misstatement</i></p>				
Modify	<p>SECTION II: NATURE OF THE ENTITY</p> <p>Instructions re-written</p> <p>1. Business Operations</p> <p>items after first table modified to read as follows:</p> <p>Document the auditor’s understanding, including how and to what degree inherent risk factors affect the susceptibility of assertions to misstatement in the preparation of the financial statements, based on the understanding obtained. The auditor should refer to RES-019 Example Factors to Be Considered When Understanding the Entity and Its Environment, to ensure that all relevant factors are considered when documenting the auditor’s understanding in memorandum format</p> <p>If not documenting the auditor’s understanding in a memorandum format, for the following factors, indicate those that are relevant in obtaining an understanding of the entity and its environment. For each relevant factor considered below, provide a narrative of your understanding related to industry conditions, including how and to what degree inherent risk factors affect the susceptibility of assertions to misstatement in the preparation of the financial statements, based on the understanding obtained.</p> <p>New Column added to Factor/Understanding table with the header: <i>How and to What Degree Inherent Risk Factors (Complexity, Subjectivity, Change, Uncertainty, Management Bias, Fraud) Affect Susceptibility of Assertions to Misstatement</i></p> <p>Table row n. modified to read as follows:</p> <p>Locations of production facilities, warehouses, and offices, and location and quantities of inventories.</p>	Procedures	New or Revised Guidance	SAS-145	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
Modify	SECTION II: NATURE OF THE ENTITY New Section Added: 2. Governance	Procedures	New or Revised Guidance	SAS-145	
Modify	SECTION II: NATURE OF THE ENTITY Instructions re-written 3. Investments items after first table modified to read as follows: Document the auditor's understanding, including how and to what degree inherent risk factors affect the susceptibility of assertions to misstatement in the preparation of the financial statements, based on the understanding obtained. The auditor should refer to RES-019 Example Factors to Be Considered When Understanding the Entity and Its Environment , to ensure that all relevant factors are considered when documenting the auditor's understanding in memorandum format If not documenting the auditor's understanding in a memorandum format, for the following factors, indicate those that are relevant in obtaining an understanding of the entity and its environment. For each relevant factor considered below, provide a narrative of your understanding related to industry conditions, including how and to what degree inherent risk factors affect the susceptibility of assertions to misstatement in the preparation of the financial statements, based on the understanding obtained. New Column added to Factor/Understanding table with the header: <i>How and to What Degree Inherent Risk Factors (Complexity, Subjectivity, Change, Uncertainty, Management Bias, Fraud) Affect Susceptibility of Assertions to Misstatement</i>	Procedures	New or Revised Guidance	SAS-145	
Modify	SECTION II: NATURE OF THE ENTITY Instructions re-written 4. Financing items after first table modified to read as follows: Document the auditor's understanding, including how and to what degree inherent risk factors affect the susceptibility of assertions to misstatement in the preparation of the financial statements, based on the understanding	Procedures	New or Revised Guidance	SAS-145	Modified step will reset on rollforward

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	<p>obtained. The auditor should refer to RES-019 Example Factors to Be Considered When Understanding the Entity and Its Environment, to ensure that all relevant factors are considered when documenting the auditor's understanding in memorandum format</p> <p>If not documenting the auditor's understanding in a memorandum format, for the following factors, indicate those that are relevant in obtaining an understanding of the entity and its environment. For each relevant factor considered below, provide a narrative of your understanding related to industry conditions, including how and to what degree inherent risk factors affect the susceptibility of assertions to misstatement in the preparation of the financial statements, based on the understanding obtained.</p> <p>New Column added to Factor/Understanding table with the header: <i>How and to What Degree Inherent Risk Factors (Complexity, Subjectivity, Change, Uncertainty, Management Bias, Fraud) Affect Susceptibility of Assertions to Misstatement</i></p> <p>Table row d.& e. modified to read as follows: Leasing arrangements, including long-term leases with required fixed payments for multiple years.</p>				
Modify	<p>SECTION II: NATURE OF THE ENTITY</p> <p>Instructions re-written</p> <p>5. The applicable financial reporting framework</p> <p>items after first table modified to read as follows:</p> <p>Document the auditor's understanding, including how and to what degree inherent risk factors affect the susceptibility of assertions to misstatement in the preparation of the financial statements, based on the understanding obtained. The auditor should refer to RES-019 Example Factors to Be Considered When Understanding the Entity and Its Environment, to ensure that all relevant factors are considered when documenting the auditor's understanding in memorandum format</p> <p>If not documenting the auditor's understanding in a memorandum format, for the following factors, indicate those that are relevant in obtaining an understanding of the entity and its environment. For each relevant factor considered below, provide a narrative of your understanding related to</p>	Procedures	New or Revised Guidance	SASs 143 & 145	Some modified steps will reset on rollforward

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	<p>industry conditions, including how and to what degree inherent risk factors affect the susceptibility of assertions to misstatement in the preparation of the financial statements, based on the understanding obtained.</p> <p>New Column added to Factor/Understanding table with the header: <i>How and to What Degree Inherent Risk Factors (Complexity, Subjectivity, Change, Uncertainty, Management Bias, Fraud) Affect Susceptibility of Assertions to Misstatement</i></p> <p>Table row a. modified to read as follows: Selection of a financial reporting framework, including accounting policies, principles and disclosures, and industry-specific practices (including application of new policies or principles).</p> <p>Table row b. added that reads as follows: Industry-specific significant classes of transactions, account balances, and related disclosures in the financial statements (e.g., loans and investments for banks, accounts receivable and inventory for manufacturers, research and development for pharmaceuticals).</p> <p>Table rows d., e., f., removed</p> <p>Table row h. modified to read as follows: Requirements of the applicable financial reporting framework related to accounting estimates (including the recognition criteria, measurement bases, and the related presentation and disclosure requirements) and how they apply in the context of the nature and circumstances of the entity and its environment, and the nature of the accounting estimates and related disclosures that the auditor expects to be included in the entity's financial statements (for example, fair value measurements, allowance for doubtful accounts, accruals, impairment).</p> <p>Table row i. added: Transactions and other events and conditions that may give rise to the need for or changes in accounting estimates to be recognized or disclosed in the financial statements.</p>				

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<p>Table row j. added: Events or transactions that result in significant measurement uncertainty, including accounting estimates and related disclosures.</p> <p>Table row k. added: Accounting for financial instruments, including related credit losses.</p> <p>Table row m. removed</p> <p>Table row n. modified to read: Accounting for unusual or complex transactions including those in controversial or emerging areas for which there is a lack of authoritative guidance or consensus (e.g., accounting for cryptocurrencies).</p> <p>Table row r. modified to read: The methods the entity uses to recognize, measure, present, and disclose significant and unusual transactions (for example significant amounts of nonroutine or nonsystematic transactions, intercompany transactions, and large revenue transactions at period-end)</p> <p>Table row t. added: Changes in the environment, such as changes in the applicable financial reporting framework or tax reforms that may necessitate a change in the entity's accounting policies.</p> <p>Table row u. added: Financial reporting standards and laws and regulations that are new to the entity and when and how the entity will adopt, or comply with, such requirements.</p>				

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Modify	<p>SECTION III: GROUP, ITS COMPONENTS, AND THEIR ENVIRONMENTS</p> <p>1. Group-Wide Controls</p> <p>2. Consolidation Process</p> <p>items after first table modified to read as follows:</p> <p>Document the auditor’s understanding, including how and to what degree inherent risk factors affect the susceptibility of assertions to misstatement in the preparation of the financial statements, based on the understanding obtained. The auditor should refer to RES-019 Example Factors to Be Considered When Understanding the Entity and Its Environment, to ensure that all relevant factors are considered when documenting the auditor’s understanding in memorandum format</p> <p>If not documenting the auditor’s understanding in a memorandum format, for the following factors, indicate those that are relevant in obtaining an understanding of the entity and its environment. For each relevant factor considered below, provide a narrative of your understanding related to industry conditions, including how and to what degree inherent risk factors affect the susceptibility of assertions to misstatement in the preparation of the financial statements, based on the understanding obtained.</p> <p>New Column added to Factor/Understanding table with the header: <i>How and to What Degree Inherent Risk Factors (Complexity, Subjectivity, Change, Uncertainty, Management Bias, Fraud) Affect Susceptibility of Assertions to Misstatement</i></p>	Procedures	New or Revised Guidance	SAS-145	Some modified steps will reset on rollforward
Modify	<p>SECTION IV: BUSINESS MODEL, OBJECTIVES AND STRATEGIES, AND RELATED BUSINESS RISKS</p> <p>1. Entity’s Business Model, Objectives and Strategies, and Related Business Risks</p> <p>items after first table modified to read as follows:</p> <p>Document the auditor’s understanding, including how and to what degree inherent risk factors affect the susceptibility of assertions to misstatement in the preparation of the financial statements, based on the understanding obtained. The auditor should refer to RES-019 Example Factors to Be Considered When Understanding the Entity and Its Environment, to ensure that all relevant factors are considered when documenting the auditor’s understanding in memorandum format</p>	Procedures	New or Revised Guidance	SAS-145	

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	<p>If not documenting the auditor’s understanding in a memorandum format, for the following factors, indicate those that are relevant in obtaining an understanding of the entity and its environment. For each relevant factor considered below, provide a narrative of your understanding related to industry conditions, including how and to what degree inherent risk factors affect the susceptibility of assertions to misstatement in the preparation of the financial statements, based on the understanding obtained.</p> <p>New Column added to Factor/Understanding table with the header: <i>How and to What Degree Inherent Risk Factors (Complexity, Subjectivity, Change, Uncertainty, Management Bias, Fraud) Affect Susceptibility of Assertions to Misstatement</i></p> <p>Table row k. added: Climate-related events or conditions that may affect the entity in terms of its business model, its operations and processes, or its ability to raise financing or attract investment and customers</p>				
Modify	<p>SECTION IV: BUSINESS MODEL, OBJECTIVES AND STRATEGIES, AND RELATED BUSINESS RISKS Instructions re-written 1. Measurement and Review of the Entity’s Financial Performance</p> <p>items after first table modified to read as follows: Document the auditor’s understanding, including how and to what degree inherent risk factors affect the susceptibility of assertions to misstatement in the preparation of the financial statements, based on the understanding obtained. The auditor should refer to RES-019 Example Factors to Be Considered When Understanding the Entity and Its Environment, to ensure that all relevant factors are considered when documenting the auditor’s understanding in memorandum format</p> <p>If not documenting the auditor’s understanding in a memorandum format, for the following factors, indicate those that are relevant in obtaining an understanding of the entity and its environment. For each relevant factor considered below, provide a narrative of your understanding related to industry conditions, including how and to what degree inherent risk factors affect the susceptibility of assertions to misstatement in the</p>	Procedures	New or Revised Guidance	SAS-145	

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	<p>preparation of the financial statements, based on the understanding obtained.</p> <p>New Column added to Factor/Understanding table with the header: <i>How and to What Degree Inherent Risk Factors (Complexity, Subjectivity, Change, Uncertainty, Management Bias, Fraud) Affect Susceptibility of Assertions to Misstatement</i></p>				
Modify	<p>SECTION VI: FRAUD RISK FACTORS AND NONCOMPLIANCE WITH LAWS AND REGULATIONS All Subsections</p> <p>items after first table modified to read as follows:</p> <p>Document the auditor’s understanding, including how and to what degree inherent risk factors affect the susceptibility of assertions to misstatement in the preparation of the financial statements, based on the understanding obtained. The auditor should refer to RES-019 Example Factors to Be Considered When Understanding the Entity and Its Environment, to ensure that all relevant factors are considered when documenting the auditor’s understanding in memorandum format</p> <p>If not documenting the auditor’s understanding in a memorandum format, for the following factors, indicate those that are relevant in obtaining an understanding of the entity and its environment. For each relevant factor considered below, provide a narrative of your understanding related to industry conditions, including how and to what degree inherent risk factors affect the susceptibility of assertions to misstatement in the preparation of the financial statements, based on the understanding obtained.</p> <p>New Column added to Factor/Understanding table with the header: <i>How and to What Degree Inherent Risk Factors (Complexity, Subjectivity, Change, Uncertainty, Management Bias, Fraud) Affect Susceptibility of Assertions to Misstatement</i></p>	Procedures	New or Revised Guidance	SAS-145	
KBA-303 Inquiries of Management and Others Within the Entity About the Risks of Fraud and Noncompliance with Laws and Regulations					

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
Modify	Step 3 modified to read as follows: Do you identify and assess the risk that the financial statements (including the individual statements and the disclosures) may be materially misstated due to fraud, and how and how often do you make that identification and assessment	Procedures	New or Revised Guidance	SAS-145	
Modify	Step 4 modified to read as follows: Do you have a process for identifying and responding to risks of fraud, and determining which account balances, classes of transactions, disclosures, or accounting estimates are susceptible to those risks?	Procedures	New or Revised Guidance	SAS-145	
Modify	Step above first text box below inquiries table modified to read as follows: Do you have a process for identifying and responding to risks of fraud, and determining which account balances, classes of transactions, disclosures, or accounting estimates are susceptible to those risks?	Procedures	New or Revised Guidance	SAS-145	
KBA-400 Scoping and Mapping of Significant Account Balances, Classes of Transactions, and Disclosures					
Modify	Instructions re-written to comply with SAS-143 and 145	Instructions	New or Revised Guidance	SASs 143 & 145	
Modify	New Column (5) added to Table 1 with the header <i>Significant Accounting Estimate</i> The Audit Area for Accounting Estimates has been removed. Please note that the auditor should identify any Significant Accounting Estimates with an “X” in this new column for any Audit Area where these may exist. The auditor should then create a Significant Accounting Estimate risk for this Significant Accounting Estimate in the risk pane and perform a separate risk assessment for each of these in KBA-502. They should also perform further procedures using AUD-820 multiple times, one for each Significant Accounting Estimate.	Procedures	New or Revised Guidance	SAS-143	
Modify	Table 2 and Table 3: Column (1) header modified to read: <i>Audit Area (from Table 1 above) Containing a Significant Account Balance or Accounting Estimate</i>	Procedures	New or Revised Guidance	SAS-143	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
KBA-401 Understanding Entity-Level Controls					
Modify	SECTION II: RISK ASSESSMENT Item 2. Modified to read: Relevant Principle: The organization identifies risks to the achievement of its objectives across the entity and assesses the significance of those risks, including their likelihood of occurrence, as a basis for determining how the risks should be managed	Procedures	New or Revised Guidance	SAS-145	
Modify	SECTION II: RISK ASSESSMENT Table, step#2 4 th table row modified to read: Estimates significance of risks identified, including those related to accounting estimates.	Procedures	New or Revised Guidance	SAS-143	
Modify	SECTION III: CONTROL ACTIVITIES Instruction added to relevant principle2. That reads: AU-C Section 315 (as amended by SAS No. 145) requires that the understanding includes how control activities identify the risks arising from the use of IT and controls that address such risks	Procedures	New or Revised Guidance	SAS-145	
Modify	SECTION III: CONTROL ACTIVITIES Table for relevant principle 2. Second row modified to read: Establishes relevant technology infrastructure control activities, including identifying the risks arising from the use of IT and controls that address such risks.	Procedures	New or Revised Guidance	SAS-145	
Modify	SECTION IV: INFORMATION AND COMMUNICATION SYSTEMS Instructions for all relevant principles in this section. Additional instructions/requirements added.	Procedures	New or Revised Guidance	SAS-145	
Modify	SECTION IV: INFORMATION AND COMMUNICATION SYSTEMS Table, Most table rows completely re-written	Procedures	New or Revised Guidance	SAS-145	Many steps will be reset on roll forward.

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
Modify	SECTION V: MONITORING OF CONTROLS Memo instructions and relevant principles table rows modified significantly	Procedures	New or Revised Guidance	SAS-145	Some steps will be reset on roll forward.
Modify	SECTION VI: CONCLUSION Conclusion requirements for each component of the system of internal control modified to comply with SAS-145	Procedures	New or Revised Guidance	SAS-145	
KBA-402 Understanding General Controls for Information Technology					
Modify	Column header and rows of instructions table in Section I General information modified	Instructions	New or Revised Guidance	SAS-145	
Modify	SECTION I: GENERAL INFORMATION Table 1: Instructions and column headers modified to comply with SAS 145 Table 2: Column I “Factors” modified and new factors added	Instructions	New or Revised Guidance	SAS-145	
Modify	SECTION II: UNDERSTANDING OF GENERAL IT CONTROLS FOR ENTITIES WITH A LESS COMPLEX IT ENVIRONMENT Table 1: Column 1 headers modified to read: <i>Name of Application, Database, Network, or Operating System (including the use of emerging technologies, such as blockchain, robotics, or artificial intelligence)</i>	Instructions	New or Revised Guidance	SAS-145	
KBA-403 Understanding Activity-Level Controls: Revenue, Accounts Receivable, and Cash Receipts through KBA-411 Understanding Activity-Level Controls: Financial Reporting and Closing Process					
Modify	Instructions and table for steps 4.,5.,6. Modified to comply with SAS - 143- new rows added for controls related to significant accounting estimates	Procedures	New or Revised Guidance	SAS-143	
New	Control objectives and assertions added for cryptocurrency.	Procedures	Enhancement		
KBA-412 Understanding Controls Maintained by a Service Organization					
Modify	Step 5 Modified to read: 1. We obtained sufficient information to provide an appropriate basis for the identification and assessment of the risks of material misstatement by obtaining a sufficient understanding of the entity’s system of internal control to identify controls in the control activities	Procedures	New or Revised Guidance	SAS-145	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<p>component 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. Further, we evaluated the design of the identified controls and determined whether they have been implemented. We gathered sufficient information to:</p> <ul style="list-style-type: none"> • Understand the nature of the services provided by the service organization and the significance of those services to the entity, including the effect thereof on the entity's system of internal control. • Understand the user entity controls that relate to the services provided by the service organization, including those that are applied to the transactions processed by the service organization. • Understand the nature and materiality of the transactions processed, accounts, or financial reporting processes affected by the service organization. • Determine whether the control objectives are relevant to the entity's financial statement assertions. • Understand the flow of significant transactions through the service organization's system to determine the points in the transaction flow where material misstatements in the user entity's financial statements could occur. • Evaluate the design of the service organization's controls to prevent or detect and correct processing errors that could result in material misstatements in the entity's financial statements and determine whether they have been implemented. • Understand the degree of interaction between the activities of the service organization and those of the entity. • Understand the nature of the relationship between the entity and the service organization, including the relevant contractual terms for the activities undertaken by the service organization. 				
Modify	Step 7 Modified to read:	Procedures	New or Revised Guidance	SAS-145	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<p>If we plan to use a Type 1 or Type 2 report as audit evidence to support the understanding about the design and implementation of identified controls at the service organization, we:</p> <ul style="list-style-type: none"> a. Evaluated whether the description and design of controls at the service organization is at a date (Type 1) or for a period (Type 2) that is appropriate for our purposes. b. Evaluated the sufficiency and appropriateness of the evidence provided by the report for the understanding of the identified controls at the service organization. c. Determined whether complementary user entity controls identified by the service organization address the risks of material misstatement relating to the relevant assertions in the user entity's financial statements and, if so, obtained an understanding of whether the entity has designed and implemented such controls. 				
Modify	<p>Step 8 Modified to read:</p> <p>2. If we plan to use a Type 2 report as audit evidence that identified controls at the service organization that are operating effectively (including when performing an integrated audit), we determined whether the service auditor's report provides sufficient appropriate audit evidence about the effectiveness of the controls to support the risk assessment by:</p> <ul style="list-style-type: none"> a. Evaluating whether the description, design and operating effectiveness of identified controls at the service organization is for a period that is appropriate for our purposes. b. Determining whether complementary user entity controls identified by the service organization address the risks of material misstatement and, if so, obtaining an understanding of whether the entity has designed and implemented such controls and, if so, testing their operating effectiveness. 	Procedures	New or Revised Guidance	SAS-145	
Modify	<p>Step 9 Modified to read:</p> <p>If we plan 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 preparation of the user entity's financial statements, we identified the functions performed by the subservice organization and applied the requirements of AU-C Section 402 .</p>	Procedures	New or Revised Guidance	SAS-145	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
Modify	Step 11 Modified to read: If we were unable to obtain sufficient appropriate audit evidence regarding the services provided by the service organization relevant to the preparation audit of the user entity's financial statements, we modified our audit opinion appropriately	Procedures	New or Revised Guidance	SAS-145	
Modify	Conclusion Step 1. Modified to read: We evaluated whether a sufficient understanding of the nature and significance of the services provided by the service organization and their effect on the entity's system of internal control relevant to the preparation of the financial statements audit has been obtained to provide a basis for the identification and assessment of the risks of material misstatement, or whether we need to perform updating or other procedures with respect to the service organization.	Procedures	New or Revised Guidance	SAS-145	
KBA-501 Team Discussion and Consideration of the Risks of Material Misstatement					
Modify	Instructions re-written	Instructions	New or Revised Guidance	SAS-145	
New	New Step 1: We discussed the application of the applicable financial reporting framework and the susceptibility of the entity's financial statements to material misstatement, including as applicable: a. Changes in financial reporting requirements that may result in significant, new, or revised disclosures; b. Changes in the entity's environment, financial condition, or activities that may result in significant, new, or revised disclosures (e.g., a significant business combination in the period under audit); c. Disclosures for which obtaining sufficient appropriate audit evidence may have been difficult in the past; and d. Disclosures about complex matters, including those involving significant management judgment about what information to disclose.	Procedures	New or Revised Guidance	SAS-145	
Modify	Step 2d. modified to read: Inherent risk factors identified as part of the consideration of audit risk at the relevant assertion level.	Procedures	New or Revised Guidance	SAS-145	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
Modify	<p>Step 4. modified to read:</p> <p>We reminded all engagement personnel to evaluate information to be used as audit evidence including:</p> <ol style="list-style-type: none"> Considering whether reason exists to doubt the authenticity of documents obtained from management or the contents of those documents: Considering the potential for improper initiation or alteration of information not being detected if information is initiated, recorded, processed, or reported only in electronic form; and Consulting with other team members or experts in the firm where appropriate. 	Procedures	New or Revised Guidance	SAS-142	Step will reset on roll forward
Modify	<p>Step 7. modified to read:</p> <p>We held a formal team meeting(s) to discuss the application of the applicable financial reporting framework and the susceptibility of the entity's financial statements (including the individual statements and the disclosures) to material misstatement due to either fraud or error. Details of the meeting are as follows</p>	Procedures	New or Revised Guidance	SAS-145	
KBA-502 Summary of Risk Assessments					
Modify	Instructions re-written, including the combined assessed risk of material misstatement table.	Instructions	New or Revised Guidance	SAS-145	
Modify	<p>SECTION II: ASSERTION-LEVEL RISKS</p> <p>Table Column 1 header for specific risks modified to read:</p> <p>Specific risks or significant accounting estimates identified in this area and related assertions:</p> <p>The Audit Area for Accounting Estimates has been removed.</p> <p>Please note that the auditor should identify any Significant Accounting Estimates with an "X" in the new column in KBA-400 for any Audit Area where these may exist. The auditor should then create a "Significant Accounting Estimate" Risk for this Significant Accounting Estimate in the risk pane and perform a separate risk assessment for each of these in KBA-502. They should also perform further procedures using AUD-820 multiple times, one for each Significant Accounting Estimate.</p>	Procedures	New or Revised Guidance	SASs 143 & 145	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
Modify	SECTION II: ASSERTION-LEVEL RISKS Table modified (rows added) to document the assessed risk levels for each relevant assertion for each specific risk or significant accounting estimate in each area.	Procedures	New or Revised Guidance	SAS-145	
KBA-503 Basis for Inherent Risk Assessment					
Modify/ NEW foundatio n workpaper	This workpaper had been completely re-written to accommodate the enhanced requirements of SASs 143 & 145 This workpaper will now be a Foundation workpaper and must be inserted into the binder.	Instructions	New or Revised Guidance	SASs 143 & 145	Workpaper will be reset on roll forward. Please ensure this workpaper is added to the binder.
KBA-901 Financial Statement Disclosures Checklist					
Modify	Updated through June 30, 2023: <ul style="list-style-type: none"> ASU No. 2023-01, Leases (Topic 842): Common Control Arrangements; and ASU No. 2023-02, Investments—Equity Method and Joint Ventures (Topic 323): Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method. 	Instructions, Procedures	New and Revised Guidance		
KBA-902 Audit Review and Approval Checklist					
Modify	SECTION I: DETAILED AUDITOR REVIEW Step 1. Modified to read: We adequately performed and documented risk assessment procedures to: <ol style="list-style-type: none"> Obtain an understanding of the entity and its environment, including the applicable financial reporting framework Obtain an understanding of the entity’s system of internal control, including evaluation of the design of identified controls and determination of whether such controls have been implemented. Obtain audit evidence from the risk assessment procedures that provides an appropriate basis for the identification and assessment of the risks of material misstatement. Conclude for classes of transactions, account balances, or disclosures that are material but have not been determined to be significant classes of transactions, account balances, or disclosures, that determination remains appropriate. 	Procedures	New or Revised Guidance	SAS-145	Step b will reset on roll forward, steps c and d are new steps

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
Modify	SECTION I: DETAILED AUDITOR REVIEW Step 4. Modified to read: Audit procedures addressed relevant assertions for all significant account balances, classes of transactions, and disclosures, including significant accounting estimates.	Procedures	New or Revised Guidance	SAS-145	
Modify	SECTION I: DETAILED AUDITOR REVIEW Step 5. Modified to read: Audit documentation is complete and clearly demonstrates the work performed, sources of information, and conclusions reached, including the rationale for significant judgments made, and we have:	Procedures	New or Revised Guidance	SAS-145	
Modify	SECTION II: ENGAGEMENT PARTNER REVIEW Step 5. Modified to read: A detailed review has been performed of all audit procedures and audit areas to ensure that sufficient appropriate audit evidence has been obtained to provide a basis for the auditor's report issued	Procedures	New or Revised Guidance	SAS-142	
Modify	SECTION II: ENGAGEMENT PARTNER REVIEW Step 7. Modified to read: Audit procedures addressed relevant assertions for all significant account balances, classes of transactions, and disclosures, including significant accounting estimates	Procedures	New or Revised Guidance	SAS-143	
Modify	SECTION II: ENGAGEMENT PARTNER REVIEW Step 15. Modified to read: I reminded engagement personnel of the need to exercise professional skepticism, to critically assess information to be used as audit evidence, and to consult with other team members or experts in the firm in accordance with firm policies.	Procedures	New or Revised Guidance	SAS-142	
KBA-904 Audit Documentation Checklist					
Delete	Previous Step 10. deleted	Procedures	New or Revised Guidance	SAS-145	
Modify	Step 10. Modified to read: In connection with our considerations of the entity's system of internal control, we documented (AU-C 315): a. Key elements of the understanding obtained regarding each of the aspects of the entity and its environment, including each of the	Procedures	New or Revised Guidance	SAS-145	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<p>components of the system of internal control, and the identification and assessment of the risks of material misstatement of the financial statements;</p> <p>b. The sources of information from which the understanding was obtained;</p> <p>c. The risk identification and assessment procedures performed to obtain such understanding; and</p> <p>d. The evaluation of the design of identified controls and determination of whether such controls have been implemented.</p>				
Modify	<p>Step 11. Modified to read:</p> <p>In connection with our assessment of the risk of material misstatement, we documented the following (AU-C 315)</p> <p>a. The identified and assessed risks of material misstatement both at the financial statement level and at the assertion level, including the rationale for the significant judgments made.</p> <p>b. The risks identified and related controls evaluated for significant risks and risks for which substantive procedures alone do not provide sufficient appropriate audit evidence, including the rationale for the significant judgments made.</p>	Procedures	New or Revised Guidance	SAS-145	
Modify	<p>Step 16. Modified to read:</p> <p>The audit documentation includes the following:</p> <p>b. As it relates to accounting estimates (AU-C 540):</p> <p>(1) Key elements of our understanding of the entity and its environment, including the entity's system of internal control related to the entity's accounting estimates;</p> <p>(2) The linkage of further audit procedures performed with the assessed risks of material misstatement at the relevant assertion level, taking into account the reasons given to the assessment of those risks;</p> <p>(3) Our responses in circumstances when management has not taken appropriate steps to understand and address estimation uncertainty;</p> <p>(4) Indicators of possible management bias related to accounting estimates, if any, and our evaluation of the implications for the audit; and</p>	Procedures	New or Revised Guidance	SAS-145	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward and Update Content Considerations
	<p>(5) Significant judgments relating to our determination of whether the accounting estimates and related disclosures are reasonable in the context of the applicable financial reporting framework or are misstated.</p> <p>e. Information that corroborates or contradicts or is inconsistent with the auditor’s final conclusions about a significant matter, and how those contradictions or inconsistencies were addressed (AU-C 230,; AU-C 500);</p>				
Modify	<p>Step 17. Modified to read:</p> <p>In connection with our consideration of fraud in the entity’s financial statements, the audit documentation includes the following (AU-C 240):</p> <p>a. Our engagement team discussion regarding the susceptibility of the entity’s financial statements to material misstatement due to error or fraud, including how and when the discussion occurred, the subject matter discussed, the audit team members who participated, significant decisions reached,</p> <p>b. Identified controls in the control activities component that address assessed risks of material misstatement due to fraud;</p>	Procedures	New or Revised Guidance	SAS-145	

KBA-901 Financial Statement Disclosures Checklist

Note: Footnote examples can be found on CCH ARM Accounting Research Manager as follows:

1. [GAAP Financial Statement Disclosures Manual](#)
2. Best Practices in Presentation and Disclosure
3. 10-K Lookup

Type of Change	Description of Change	Roll Forward and Update Content Considerations
Table of Contents		
Added	Added a NEW Sub Section under 323, “Investments-Equity Method and Joint Ventures” as “Investments Accounted for Under the Proportional Amortization Method”	
Generally Accepted Accounting Principles (ASC 105)		
Removed	<i>Note:</i> The presentation and disclosure requirements in item 1 below are prescribed by ASU No. 2020-10, <i>Codification Improvements</i> , which is effective for (a) public business entities, (b) not-for-	

Type of Change	Description of Change	Roll Forward and Update Content Considerations
	<p>profit entities that have issued, or are conduit bond obligors for, securities that are traded, listed, or quoted on an exchange or an over-the-counter market, and (c) employee benefit plans that file or furnish financial statements with or to the Securities and Exchange Commission for annual periods beginning after December 15, 2020, including interim periods within those annual periods. For all other entities, the requirements are effective for annual periods beginning after December 15, 2021 and interim periods within annual periods beginning after December 15, 2022.</p> <p>An entity should recognize and present separately the cumulative effect of the change in accounting principle of ASU No. 2020-10 as an adjustment to the opening balance of retained earnings (or other appropriate components of equity or net assets in the balance sheet) as of the beginning of the period in which it is first applied. The cumulative-effect adjustment is the difference between the amounts recognized in the balance sheet before initial application of ASU No. 2020-10 and the amounts recognized in the balance sheet at initial application of ASU No. 2020-10.</p> <p>Early application of ASU No. 2020-10 is permitted for any annual or interim period for which the entity's financial statements have not yet been issued (public business entities) or for which financial statements are available to be issued (all other entities).</p> <p>An entity may elect to apply ASU No. 2020-10 retrospectively. (ASC 105-10-65-6)</p>	
Removed	Have the following transitional disclosures related to the adoption of ASU No. 2020-10 been made in each interim and annual periods of adoption (ASC 105-10-65-6):	
Removed	The nature of a change in accounting principle to ASU No. 2020-10?	
Removed	The reason for the change?	
Intangibles – Goodwill and Other (ASC 350) <i>Disclosure and Presentation Requirements for Private Companies and Not-for-Profit Entities that Elect to Apply the Accounting` Alternatives for Goodwill</i>		
Removed	<p><i>Note:</i> The presentation and disclosure requirements in items 7 and 8 below are prescribed by the amendments in , <i>Intangibles—Goodwill and Other (Topic 350): Accounting Alternative for Evaluating Triggering Events</i>, which is effective for fiscal years beginning after December 15, 2019. Early adoption is permitted for both interim and annual financial statements that have not yet been issued or made available for issuance as of March 30, 2021.</p> <p>A private company or not-for-profit entity that adopts ASU No. 2021-03 should apply it as of the beginning of the interim or annual period for financial statements that have not yet been issued or made available for issuance in the year of adoption. A private company or not-for-profit entity should not retroactively adopt ASU No. 2021-03 as of the beginning of an annual period for which interim-period financial statements have already been issued in the year of adoption.</p>	

Type of Change	Description of Change	Roll Forward and Update Content Considerations
	For a private company or not-for-profit entity that adopts ASU No. 2021-03 after its original effective date, ASU No. 2021-03 should be applied prospectively as of the beginning of the first reporting period in which the accounting alternative is adopted. ()	
Liabilities (ASC 405)		
Liabilities – Supplier Finance Programs		
New	<p><i>Note:</i> The presentation and disclosure requirements in items 1 and 2 below are prescribed by the amendments in ASU No. 2022-04, <i>Liabilities—Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations</i>, which is effective for fiscal years, including interim periods within those fiscal years, beginning after December 15, 2022, except for the rollforward of supplier finance program obligations, which is effective for fiscal years beginning after December 15, 2023. Early adoption is permitted. (ASC 405-50-65-1)</p> <p>In the period of initial adoption, an entity should apply ASU No. 2022-04 retrospectively to all periods in which a balance sheet is presented, except for the rollforward of supplier finance program obligations, which should be applied prospectively.</p> <p>During the first fiscal year of applying ASU No. 2022-04, an entity should provide the disclosures in ASC paragraphs 405-50-50-3(a) through (b)(1) (i.e., the information on the key terms of the programs and the balance sheet presentation of the program obligations) for each interim period.</p>	
New	<i>Note:</i> The objective of the requirements in this Subtopic is for an entity to disclose sufficient information to enable users of financial statements to understand the nature, activity during the period, changes from period to period, and potential magnitude of the entity’s supplier finance programs. To achieve that objective, an entity should disclose qualitative and quantitative information about its supplier finance programs. (ASC 405-50-50-1)	
New	<i>Note:</i> An entity should consider the level of detail necessary to satisfy the disclosure objective. If an entity uses more than one supplier finance program, the entity may aggregate disclosures, but not to the extent that useful information is obscured by the aggregation of programs that have substantially different characteristics. (ASC 405-50-50-2)	
New	For each annual reporting period presented, has an entity disclosed all the following information about its supplier finance programs (ASC 405-50-50-3):	
New	The key terms of the program, including, but not limited to:	
New	A description of the payment terms, including payment timing and the basis for its determination?	
New	Assets pledged as security or other forms of guarantees provided for the committed payment to the finance provider or intermediary?	

Type of Change	Description of Change	Roll Forward and Update Content Considerations
New	The amount of obligations outstanding at the end of the reporting period that the entity has confirmed as valid to the finance provider or intermediary under the program (i.e., the amount of obligations confirmed under the program that remains unpaid by the entity?)	
	The following information about the obligations in item 1(b) above:	
New	Where those obligations are presented in the balance sheet?	
New	<i>Note:</i> If those obligations are presented in more than one balance sheet line item, then the entity should disclose the amount outstanding at the end of the reporting period in each line item.	
New	A rollforward of those obligations showing, at a minimum, all the following:	
New	The amount of those obligations outstanding at the beginning of the reporting period?	
New	The amount of those obligations added to the program during the reporting period?	
New	The amount of those obligations settled during the reporting period?	
New	The amount of those obligations outstanding at the end of the reporting period?	
New	For each interim reporting period presented, has an entity disclosed the amount of obligations outstanding that the entity has confirmed as valid to the finance provider or intermediary under the supplier finance program at the end of the reporting period? (ASC 405-50-50-4)	
Fair Value Measurement (ASC 820)		
Modified	The fair value of equity securities subject to a contractual sale restriction on the balance sheet to which the entity continues to apply a discount?	
Leases (ASC 842)		
Lessees		
New	<p><i>Note:</i> The presentation and disclosure requirements in items 13 and 14 below are prescribed by the amendments in ASU No. 2023-01, <i>Leases (Topic 842): Common Control Arrangements</i>, which is effective for fiscal years, including interim periods within those fiscal years, beginning after December 15, 2023. If an entity adopts ASU No. 2023-01 in an interim period, it should adopt ASU No. 2023-01 as of the beginning of the fiscal year that includes that interim period. Early adoption is permitted in any annual or interim period for which financial statements have not yet been made available for issuance. (ASC 842-10-65-7 and 65-8) <u>Transition Guidance for Issue 1: Terms and Conditions to Be Considered for Leases Between Entities Under Common Control (Practical Expedient)</u> (ASC 842-10-65-7)</p> <p><i>Note:</i> The practical expedient in Issue 1 only applies to entities that are not: (a) public business entities, (b) not-for-profit entities that have issued, or are conduit bond obligors for, securities that</p>	

Type of Change	Description of Change	Roll Forward and Update Content Considerations
	<p>are traded, listed, or quoted on an exchange or an over-the-counter market, or (c) employee benefit plans that file or furnish financial statements with or to the Securities and Exchange Commission.</p> <p>An entity that adopts ASU No. 2023-01 concurrently with adopting ASC Topic 842 should apply ASU No. 2023-01 using the same transition method elected for the adoption of ASC Topic 842.</p> <p>An entity that adopted ASC Topic 842 before adopting ASU No. 2023-01 should apply ASU No. 2023-01 using either of the following two methods:</p> <ol style="list-style-type: none"> 1. Prospectively to arrangements that commence or are modified on or after the date that the entity first applies ASU No. 2023-01. 2. Retrospectively to the beginning of the period in which ASC Topic 842 was first applied. ASU No. 2023-01 should not be applicable for arrangements no longer in place at the date of adoption. Under this transition method: <ol style="list-style-type: none"> a. If an arrangement previously considered to be a lease continues to be a lease after applying ASU No. 2023-01, an entity should apply the requirements in ASC paragraphs 842-10-25-9 through 25-17 to any changes in the lease resulting from application of the practical expedient in ASU No. 2023-01. Any amounts that otherwise would have been recognized in earnings should be recognized as a cumulative-effect adjustment to opening retained earnings (or net assets of a not-for-profit entity) at the beginning of the earliest period presented in accordance with the adoption of ASC Topic 842. b. If an arrangement previously not considered a lease becomes a lease after applying ASU No. 2023-01, an entity should account for the arrangement as a new lease. <p>An entity may document any existing unwritten terms and conditions of an arrangement between entities under common control before the date on which the entity's first interim (if applicable) or annual financial statements are available to be issued in accordance with ASU No. 2023-01.</p> <p>An entity that elects the practical expedient(s) in ASC paragraph 842-10-65-1(f) [i.e., the package of three] or 65-1(g) [i.e., the use of hindsight] is not required to apply either of those practical expedients to common control arrangements for which ASU No. 2023-01 is being applied.</p>	
New	<u>Transition Guidance for Issue 2: Accounting for Leasehold Improvements Associated with Leases Between Entities Under Common Control (ASC 842-10-65-8)</u>	

Type of Change	Description of Change	Roll Forward and Update Content Considerations
	<p><i>Note:</i> The guidance in Issue 2 applies to all entities (i.e., public business entities, private companies, not-for-profit entities, and employee benefit plans).</p> <p>An entity that adopts ASU No. 2023-01 concurrently with adopting ASC Topic 842 may apply ASU No. 2023-01 using the same transition method elected for the adoption of ASC Topic 842 or may apply ASU No. 2023-01 using either of the following two prospective methods:</p> <ol style="list-style-type: none"> 1. Prospectively to all new leasehold improvements recognized on or after the date that the entity first applies ASU No. 2023-01. 2. Prospectively to all new and existing leasehold improvements recognized on or after the date that the entity first applies ASU No. 2023-01. An entity that elects this transition approach should amortize the remaining balance of leasehold improvements existing at the date of adoption of ASU No. 2023-01 over the remaining useful life of those improvements to the common control group determined at that date. <p>An entity that adopted ASC Topic 842 before adopting ASU No. 2023-01 should apply ASU No. 2023-01 using one of the above prospective transition methods or the following retrospective transition method:</p> <ol style="list-style-type: none"> 3. Retrospectively to the beginning of the period in which ASC Topic 842 was first adopted. Any leasehold improvements previously amortized or impaired that otherwise would not have been amortized or impaired had ASU No. 2023-01 been applicable should be recognized through a cumulative-effect adjustment to the opening balance of retained earnings (or net assets of a not-for-profit entity) at the beginning of the earliest period presented in accordance with the adoption of ASC Topic 842. 	
New	When the useful life of leasehold improvements to the common control group determined in accordance with ASC paragraph 842-20-35-12A exceeds the related lease term, has a lessee disclosed the following information (ASC 842-20-50-7A):	
New	The unamortized balance of the leasehold improvements at the balance sheet date?	
New	The remaining useful life of the leasehold improvements to the common control group?	
New	The remaining lease term?	
New	Have the following transitional disclosures related to the adoption of ASU No. 2023-01 been made in the period of adoption (ASC 842-10-65-7 and 65-8):	
New	Has an entity that adopted ASC Topic 842 prior to adopting ASU No. 2023-01 provided the applicable transition disclosures required by ASC Topic 250 on accounting changes and error corrections, except for the requirements in ASC paragraphs 250-10-50-1(b)(2) and 250-10-50-3?	

Type of Change	Description of Change	Roll Forward and Update Content Considerations
New	Has an entity that elects the retrospective transition method provided the transition disclosures in ASC paragraph 250-10-50-1(b)(3) as of the beginning of the earliest period presented but not before the date on which ASC Topic 842 was adopted?	
Reference Rate Reform (ASC 848)		
Modified	<i>Note:</i> The presentation and disclosure requirements in items 1 and 2 below are prescribed by ASU No. 2020-04, <i>Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting</i> , as amended, which is effective for all entities as of March 12, 2020 through December 31, 2024. (ASC 848-10-65-1)	
Modified	<i>Note:</i> For purposes of transition related to ASU No. 2020-04 , as amended, an entity should apply the guidance in items 1 and 2 below as follows: (ASC 848-10-65-1)	
Modified	<p><i>Note:</i> ASU No. 2020-04, as amended, should not be applied to all the following: (ASC 848-10-65-1)</p> <ol style="list-style-type: none"> 1. Contract modifications made after December 31, 2024. 2. New hedging relationships entered into after December 31, 2024. 3. Hedging relationships evaluated for periods after December 31, 2024, except for hedging relationships existing as of December 31, 2024, that apply the following optional expedients in ASC Subtopics 848-30 and 848-40 that should be retained through the end of the hedging relationship (including for periods evaluated after December 31, 2024): 	
Modified	<i>Note:</i> The one-time election to sell, transfer, or both sell and transfer debt securities classified as held to maturity in accordance with ASC paragraphs 848-10-35-1 through 35-2 may be made at any time after March 12, 2020, but no later than December 31, 2024. (ASC 848-10-65-1)	
Modified	Have the nature of and reason for the change in accounting principle related to the adoption of ASU No. 2020-04, as amended , been made in each interim and annual period in the fiscal period of adoption? (ASC 848-10-65-1)	
Modified	<i>Note:</i> The presentation and disclosure requirements in item 3 below are prescribed by ASU No. 2021-01, <i>Reference Rate Reform (Topic 848): Scope</i> , as amended, which is effective for all entities as of January 7, 2021 through December 31, 2024. (ASC 848-10-65-2)	
Modified	<p>Contract modifications made after December 31, 2024</p> <p>New hedging relationships entered into after December 31, 2024.</p> <p>Hedging relationships evaluated for periods after December 31, 2024, except for hedging relationships that apply the following optional expedients in ASC Subtopics 848-30, 848-40, and</p>	

Type of Change	Description of Change	Roll Forward and Update Content Considerations
	848-50 that should be retained through the end of the hedging relationship (including for periods evaluated after December 31, 2024):	

Audit Programs (AUDs)

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
AUD-100 Engagement-Level Tailoring Questions					
Modify	The Audit Area “Accounting Estimates” has been removed. A new column has been placed in the Scoping and Mapping table of KBA-400 for the auditor to select whether an audit area has a Significant Accounting Estimate. Please review KBA-400, KBA-105 and KBA-502 for further information.				
AUD-101 Overall Audit Program					
New	<p>Step 7. Before accepting an engagement for an initial audit, including a reaudit engagement, when a predecessor auditor exists, 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 and:</p> <p>a. If management authorizes the predecessor auditor to respond to the auditor’s inquiries, inquire of the predecessor auditor about matters that will assist the auditor in determining whether to accept the engagement, including:</p> <p>(1) Identified or suspected fraud involving management, employees who have significant roles in internal control, or others, when the fraud resulted in a material misstatement in the financial statements.</p> <p>(2) Matters involving noncompliance or suspected noncompliance with laws and regulations that came to the predecessor auditor’s attention during the audit, other than when matters are clearly inconsequential.</p>	Procedures	New or Revised Guidance	SAS-145	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<ul style="list-style-type: none"> b. If management refuses to authorize the predecessor auditor to respond, or limits the response, inquire about the reasons and consider the implications of that refusal or limitation in deciding whether to accept the engagement. c. Upon engagement acceptance, document the inquiries of the predecessor auditor and the results of those inquiries, including whether the predecessor auditor's responses are limited. 				
Modify	Step 16 modified to read: Communicate an overview of the planned scope and timing of the audit to those charged with governance. This communication should include significant risks identified by the auditor during planning and why they were determined to be significant risks.	Procedures	New or Revised Guidance	SAS-145	
Modify	Added 2 practice points regarding communicating significant risks during planning	Procedures	New or Revised Guidance	SAS-145	
Modify	Step 20 substeps b. and g. modified to read as follows: <ul style="list-style-type: none"> 3. b. Control deficiencies; 4. g. Significant accounting estimates, including fair value measurements and revenue recognition 	Procedures	New or Revised Guidance	SAS-145	
Modify	Practice Point modified to comply with the enhanced understanding required by SAS-145	Procedures	New or Revised Guidance	SAS-145	
Modify	Step 29. Modified to read as follows: Perform observation and inspection procedures to obtain information about the entity and its environment, and its system of internal control	Procedures	New or Revised Guidance	SAS-145	
Modify	Step 31. Modified to read as follows: Evaluate whether the entity's accounting policies, including policies related to significant accounting estimates and disclosures, are appropriate for its business and consistent	Procedures	New or Revised Guidance	SAS-143	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	with the applicable financial reporting framework and accounting policies used in the relevant industry.				
Modify	<p>Step 36. Modified to read as follows: Identify and document relevant assertions and identified controls for the following:</p> <ul style="list-style-type: none"> a. Significant classes of transactions; b. Significant account balances; c. Significant financial statement disclosures (both the qualitative and quantitative aspects) and disclosure expectations; and d. Significant accounting estimates and related disclosures. 	Procedures	New or Revised Guidance	SAS-143 &145	
Modify	Step 37 substep e. modified to read as follows: Significant accounting estimates and judgments	Procedures	New or Revised Guidance	SAS-143	
Modify	Step 41 substep g. modified to read as follows: Significant accounting estimates, including fair value measurements and revenue recognition	Procedures	New or Revised Guidance	SAS-143	
Modify	<p>Step 43 modified to read as follows: Perform risk assessment procedures to identify and obtain an understanding of, and evaluate the design and implementation of, relevant entity-level controls and the financial reporting process, including controls related to the development of significant accounting estimates, significant financial statement disclosures, and the consideration of information technology (IT)</p>	Procedures	New or Revised Guidance	SAS-143	
Modify	Practice Point modified to comply with the enhanced evaluation vs. understanding required by SAS-145	Procedures	New or Revised Guidance	SAS-145	
Modify	<p>Step 44 modified to read as follows: Perform risk assessment procedures to identify and document controls that address risks of material misstatement at the assertion level (identified controls) in</p>	Procedures	New or Revised Guidance	SAS-145	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>order to identify and assess the risks of material misstatement for all significant account balances, classes of transactions, and both the qualitative and quantitative aspects of disclosures.</p> <p>Identified controls that address risks of material misstatement at the assertion level include the following:</p> <ul style="list-style-type: none"> • Controls that address a risk that is determined to be a significant risk; • Controls over journal entries and other adjustments as required by AU-C Section 240, <i>Consideration of Fraud in a Financial Statement Audit</i>; • Controls for which the auditor plans to test operating effectiveness in determining the nature, timing, and extent of substantive procedures, which include controls that address risks for which substantive procedures alone do not provide sufficient appropriate audit evidence; • Other controls that, based on the auditor's professional judgment, the auditor considers appropriate to enable the auditor to assess the risks of material misstatement at the assertion level and to design further audit procedures; and <p>General IT controls that address risks arising from the use of IT</p>				
Modify	<p>Step 46. Modified to read as follows:</p> <p>Document the evaluation of the design of identified controls and determine whether they have been implemented.</p>	Procedures	New or Revised Guidance	SAS-145	
Modify	<p>Step 47. Modified to read as follows:</p> <p>Evaluate whether the controls sufficiently address identified risks of material misstatement due to fraud and the risk of management override of other controls, including:</p> <ul style="list-style-type: none"> e. Controls over significant unusual transactions, particularly those that result in late or unusual journal entries; f. Controls over journal entries and adjustments made in the period-end financial reporting process; g. Controls over related party transactions; 	Procedures	New or Revised Guidance	SAS-145	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<ul style="list-style-type: none"> h. Controls related to significant accounting estimates; i. Controls over revenue recognition practices and policies; and j. Controls that mitigate incentives for, and pressures on, management to falsify or inappropriately manage financial results. 				
New	Step 48. Evaluate whether the audit evidence obtained from the risk assessment procedures provides an appropriate basis for the identification and assessment of the risks of material misstatement.	Procedures	New or Revised Guidance	SAS-142	
New	Step 49. For material classes of transactions, account balances, or disclosures that have not been determined to be significant classes of transactions, account balances, or disclosures (i.e., there are no relevant assertions identified), evaluate whether that determination remains appropriate.	Procedures	New or Revised Guidance	SAS-145	
Modify	Step 54 substep e. modified to read as follows: The degree of estimation uncertainty associated with accounting estimates and related disclosures, including whether estimates with high estimation uncertainty give rise to significant risks	Procedures	New or Revised Guidance	SAS-143	
Modify	Step 59. modified to read as follows: 5. We evaluated the information produced by management and others that has been provided for our use in performing audit procedures, including: <ul style="list-style-type: none"> a. Its relevance; b. Its reliability; c. Its authenticity; d. Its susceptibility to management bias; e. Its source; f. Whether the information corroborates or contradicts assertions in the financial statements; g. Whether the information is sufficiently precise and detailed for our purposes; and 	Procedures	New or Revised Guidance	SAS-142	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	h. Obtaining evidence as to whether the information is accurate and complete.				
New	New Practice Point added to discuss relevance and reliability factors related to information to be used as audit evidence.	Procedures	New or Revised Guidance	SAS-142	
Modify	<p>Step 61. modified to read as follows:</p> <p>Design further audit procedures to respond to the assessed risks of material misstatement at the relevant assertion level, including the risks of management override of controls and intentional misstatement, providing a clear link between the nature, timing, and extent of audit procedures and the risk assessments due to fraud or error. The further audit procedures must address each relevant assertion for each significant account balance, class of transactions, and disclosure, as well as the financial statement closing process and should take into consideration the reasons for the assessed risk of material misstatement at the assertion level. Procedures may include:</p> <ul style="list-style-type: none"> i. Obtaining additional corroborative audit evidence from independent sources outside the entity or physically inspecting certain assets. j. Performing substantive tests closer to or at year-end. k. Increasing sample sizes or using computer-assisted audit techniques. l. Performing substantive analytical procedures using disaggregated data, for example, comparing gross profit by location, by line of business, or by month to expectations developed by the auditor. m. Performing procedures at locations on a surprise or unannounced basis. n. Making oral inquiries of major customers and suppliers in addition to sending written confirmations. o. Interviewing personnel involved in activities in areas where fraud risk has been identified to obtain 	Procedures	New or Revised Guidance	SAS-145	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>their insights about the risk and how controls address the risk.</p> <p>If other auditors are auditing the financial statements of other components (e.g., subsidiaries, divisions), discussing with them the extent of work that needs to be performed to address the fraud risk resulting from transactions and activities among these components.</p>				
Modify	<p>Step 69. modified to read as follows:</p> <p>As a result of performing procedures related to the operating effectiveness of controls, post any of the following matters that have been identified to the <i>Communication Hub</i> so that other engagement team members may appropriately consider the matters when assessing and responding to the risks of material misstatement:</p> <ul style="list-style-type: none"> p. Certain risks of material misstatement; q. Control deficiencies; r. Fraud risk factors; s. Noncompliance with laws and regulations; t. Litigation and claims; u. Potential contingencies; v. Significant accounting estimates, including fair value measurements and revenue recognition; w. Misstatements; and x. Other information that should be considered in other phases of the audit. <p>Other engagement team members may then appropriately consider these matters when assessing and responding to the risks of material misstatement.</p>	Procedures	New or Revised Guidance	SAS-145	
Modify	<p>Step 74. modified to read as follows:</p> <p>Document and link substantive audit procedures performed to address each relevant assertion of each risk of material misstatement using an appropriately tailored work program (AUD-801 through AUD-823).</p>	Procedures	New or Revised Guidance	SAS-145	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
New	Step 78. Consider whether the results of audit procedures provide a basis for concluding on the sufficiency and appropriateness of audit evidence obtained.	Procedures	New or Revised Guidance	SAS-142	
New	<p>6. Step 79. Determine whether modifications or additions to audit procedures are necessary to resolve inconsistencies in, or doubts about the reliability of, audit evidence, including when:</p> <p>a. Audit evidence obtained from one source is inconsistent with that obtained from another source; and</p> <p>Results of an audit procedure are inconsistent with the results of another audit procedure.</p>	Procedures	New or Revised Guidance	SAS-142	
Modify	<p>Step 83. modified to read as follows:</p> <p>Document the auditor's basis for, and conclusions about, results of tests performed on:</p> <p>b. Significant accounting estimates, including management's assumptions and judgments.</p> <p>c. Concentrations.</p> <p>d. Commitments and contingencies, including inquiry letters of legal counsel.</p> <p>e. Related-party transactions.</p>	Procedures	New or Revised Guidance	SAS-143	
Modify	<p>Step 91. modified to read as follows:</p> <p>Evaluate the impact of deficiencies in internal control, whether individually, or in combination, they constitute significant deficiencies or material weaknesses and other audit findings as a whole and whether the identification and assessment of risks, as well as the planned audit approach need to be updated accordingly.</p>	Procedures	New or Revised Guidance	SAS-145	
Modify	<p>Step 108. modified to read as follows:</p> <p>Obtain a representation letter addressed to the auditor signed by management with appropriate responsibilities for the financial statements and, if applicable, internal control over financial reporting and knowledge of the matters concerned.</p>	Procedures	New or Revised Guidance	SAS-143	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	When appropriate, also obtain written representation from those charged with governance.				
New	New Practice Point related to written representations of significant accounting estimates	Procedures	New or Revised Guidance	SAS-143	
AUD-603 Audit Program: Using the Work of an Auditor's Specialist					
New	New Practice Point related to managements and auditor specialist	Procedures	New or Revised Guidance	SAS-144	
AUD-604 Audit Program: Using the Work of a Management's Specialist					
Modified	Step 5. Modified to read as follows: The following describes our understanding of the relationship between the management's specialist (including the organization that employs the specialist) and the entity, and the procedures we performed to gain that understanding, including the extent to which management exercises control over the specialist (including the organization that employs the individual specialist), and the procedures we performed to gain that understanding	Procedures	New or Revised Guidance	SAS-144	
Modified	Step 7. Modified to read as follows: The following describes our evaluation of the relevance and reasonableness of the management's specialist's findings or conclusions, their consistency with other audit evidence, whether the findings and conclusions have been appropriately reflected in the financial statements, and the procedures we performed:	Procedures	New or Revised Guidance	SAS-144	
Modified	Step 8. Modified to read as follows: The following describes our evaluation of the appropriateness of methods and significant assumptions used by the management's specialist, taking into account the consistency of those methods and assumptions with relevant information, and the requirements of the applicable financial reporting framework, including a comparison with those methods and significant assumptions used in the preceding periods and the procedures we performed:	Procedures	New or Revised Guidance	SAS-144	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
Modified	<p>Step 9. Modified to read as follows:</p> <p>The following describes our evaluation of the relevance and reliability of the source data, including entity-produced data, used by the management's specialist and the procedures we performed</p>	Procedures	New or Revised Guidance	SAS-142	
AUD-701 Audit Program: Designing Tests of Controls					
Modified	<p>Step 4. Modified to read as follows:</p> <p>For each relevant assertion of each significant account balance, class of transactions, and disclosure, we have obtained an understanding of how information technology ("IT") affects the entity's flow of transactions and how the entity has responded to risks arising from the use of IT</p>	Procedures	New or Revised Guidance	SAS-145	
Modified	<p>Step 5. Modified to read as follows:</p> <p>We have tested the accuracy, completeness, and the reliability (e.g., tested the source of the data, including general IT controls and application controls) of the data used by management when performing control activities.</p>	Procedures	New or Revised Guidance	SAS-145	
Modified	<p>Step 11. Modified to read as follows:</p> <p>We determined the extent of procedures to be performed by considering the following factors:</p> <ol style="list-style-type: none"> The frequency of the performance of the control during the audit period; The length of time during the audit for which we are relying on the operating effectiveness of the control; The relevance and reliability of the audit evidence to be obtained, including its source; The extent to which audit evidence is obtained from tests of other controls related to the same assertion; The nature of the control, including whether it is a manual control or an automated control (for automated controls, the effectiveness of the general IT controls); The accuracy, completeness, and reliability of the data on which the controls testing will be performed; 	Procedures	New or Revised Guidance	SAS-142	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	g. The extent of planned reliance on controls; and h. The expected deviations				
AUD-801 Audit Program: Cash through AUD-822 Audit Program: Business Combinations					
Modified	<i>Link to Risk Column – Procedures Table</i> On roll forward all links to Specific Risks and Other Relevant Assertions in the prior year will be RESET. Only the Financial Statement Level links will be retained on roll forward. The new requirements are to individually link each Specific Risk to an individual assertion and link to each individual assertion related to the audit area, noted in KBA-400.	Table	New or Revised Guidance	SAS-145	This column will reset on roll forward all Specific Risk and Other Relevant Assertions selections.
Modified	<i>Specific Risks and Significant Accounting Estimates Summary</i> This table should be used to document the auditor’s planned response to each relevant assertion of each specific risk of material misstatement and significant accounting estimate (as identified at KBA-502) relating to this audit area. Specific risks include significant risks of material misstatement, including fraud risks. Because significant unusual transactions can affect the risks of material misstatement due to error or fraud, substantive procedures that take into account the types of potential misstatements that could result from significant unusual transactions may be necessary. If one or more of the procedures in the “Substantive Audit Procedures” section is sufficient to address the relevant assertion(s) of a specific risk or a significant accounting estimate, only the appropriate audit steps need be referenced. If procedures listed in the “Substantive Audit Procedures” section do not sufficiently address the relevant assertion(s) of a specific risk or a significant accounting estimate, the auditor must design and document a tailored audit procedure(s) to specifically address the relevant assertion(s) of the specific risk(s) or significant accounting estimate(s). When the auditor has determined that a significant risk, including a fraud risk, exists, the auditor should evaluate the design of the entity's controls that are intended to address fraud risks and other significant risks and determine whether	Instructions	New or Revised Guidance	SAS-145	This updated table will continue to flow from KBA-502.

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>those controls have been implemented, if the auditor has not already done so when obtaining an understanding of the system of internal control.</p> <p>For significant accounting estimates and risks of material misstatement identified as significant risks on KBA-502, the auditor's planned response should include more than substantive analytical procedures alone. Either tests of controls or tests of details must be performed in addition to the substantive analytical procedures.</p>				
Modified	New Primary Audit Objective added: Accounting estimates are properly identified, authorized, recognized, measured, presented, and disclosed.	Instructions	New or Revised Guidance	SAS-143	
Modified	<p>Specific Risks Summary Table replaced with Specific Risks and Significant Accounting Estimates Summary</p> <p>Which includes new columns for the separate assessment of IR, CR, and RMM and adds estimates to the risks summarized.</p> <p>Rows have been added for the documentation of assessed risk for each relevant assertion for each risk.</p>	Risks Summary	New or Revised Guidance	SAS-143 & 145	
Modified	<p>Significant Accounting Estimates step modified to read as follows:</p> <p>For all significant accounting estimates identified related to this area, we evaluated whether the accounting estimates and related disclosures are reasonable in the context of the applicable financial reporting framework and performed appropriate procedures as presented at AUD-820 Audit Program: Accounting Estimates.</p> <p>Use this step to make the program step linkage to procedures perform for significant accounting estimates in KBA-502</p>	Procedures	New or Revised Guidance	SAS-143	Step will reset on roll forward in all AUD-80X series workpapers due to content changes.
New	<p>New step Information To Be Used As Audit Evidence</p> <p>We have evaluated information to be used as audit evidence by taking into account:</p>	Procedures	New or Revised Guidance	SAS-142	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<ul style="list-style-type: none"> a. The relevance and reliability of the information, including its source; b. Whether such information corroborates or contradicts assertions in the financial statements; c. Whether the information is sufficiently precise and detailed for our purposes; and d. The accuracy and completeness of the information, as necessary. 				
Modified	<p>Substep b. of the Analytical Procedures step has been modified to read as follows:</p> <p>Our evaluation of the reliability of the data used to develop our expectations. We have considered the source, accuracy, completeness, comparability, nature, and relevance of information available and controls over preparation.</p>	Procedures	New or Revised Guidance	SAS-142	
AUD-802A Audit Program: Investments					
New	<p>New Step <i>Investments Valued Based on Investee's Financial Results- NOT Accounted for Using the Equity Method:</i></p> <p>For investments in securities that are valued based on an investee's financial results, excluding investments accounted for using the equity method of accounting, we performed the following procedures, as applicable:</p> <ul style="list-style-type: none"> a. We obtained 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; b. If the investee's financial statements are not audited, or if the audit report on such financial statements is not satisfactory, we applied, or requested that management 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 entity's financial statements; 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 	Procedures	New or Revised Guidance	SASs 142-144	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>materially different from the investee's carrying amounts, we obtained sufficient appropriate audit evidence regarding such amounts;</p> <p>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, we determined whether management has properly considered the lack of comparability and we determined the effect, if any, on the auditor's report; and</p> <p>e. 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, we obtained and read available interim financial statements of the investee and made appropriate inquiries of management to identify such events and transactions that may need to be recognized or disclosed in the entity's financial statements.</p>				
New	<p>New Step Fair Value Valuations and Accounting Estimates:</p> <p>For investments reported at fair value, we evaluated whether the accounting estimates and related disclosures are reasonable in the context of the applicable financial reporting framework and performed appropriate procedures as presented at AUD-820 Audit Program: Accounting Estimates.</p>	Procedures	New or Revised Guidance	SAS-143	
Modified	<p>Step 66. Now 68. Fair Value Valuations and Accounting Estimates Modified to read as follows</p> <p>In addition to the appropriate procedures performed at AUD-820 Audit Program: Accounting Estimates, for investments that involve fair value accounting estimates, we took into account the relevance and reliability of information obtained from external information sources, including the following:</p> <p>a. Whether fair values are based on trades of the same instrument or active market quotations.</p>	Procedures	New or Revised Guidance	SASs-142 -144	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>b. When the fair values are based on transactions of comparable assets or liabilities, how those transactions are identified and considered comparable.</p> <p>c. When the fair value measurement is based on a broker quote, whether the broker quote: (i) is from a market maker who transacts in the same type of financial instrument; (ii) is binding or nonbinding, with more weight placed on quotes based on binding offers; and (iii) reflects market conditions as of the date of the financial statements, when required by the applicable financial reporting framework.</p> <p>Practice Point: When a fair value measurement is based on a quote from a broker or dealer (broker quote), the relevance and reliability of the evidence provided by the broker quote depend on whether:</p> <ul style="list-style-type: none"> • The broker or dealer has a relationship with the entity by which management has the ability to influence the broker or dealer; • The broker or dealer making the quote is a market maker that transacts in the same type of financial instrument; • The broker quote reflects market conditions as of the date of the financial statements; • The broker quote is binding on the broker or dealer; and • There are any restrictions, limitations, or disclaimers in the broker quote and, if so, their nature. <p>d. When there are no transactions either for the asset or liability or comparable assets or liabilities, how the information was developed, including whether the inputs developed and used represent the assumptions that market participants would use when pricing the asset or liability, if applicable.</p> <p>d. sub (2) now step 69. We evaluated whether it is necessary to obtain fair value accounting estimates from more than one pricing source, which may be appropriate if the pricing source has a relationship with the entity that might impair its objectivity, or if the valuation is based on assumptions that are highly subjective or particularly sensitive to changes in the underlying circumstances.</p>				

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>Practice Point: For investment securities where a readily determinable fair value does not exist, confirmation of fair value at the reporting date alone may not be sufficient audit evidence to support the valuation assertion. Additionally, when using external pricing services to audit client fair value accounting estimates, consideration should be given to ensure the same pricing services used by the client are not also used by the auditor and the use of multiple pricing services is recommended.</p> <p>Substep f. now step 70. For fair value accounting estimates obtained from external information sources, we considered whether it is necessary to use the work of a specialist. If it is determined that using the work of a specialist is necessary, we performed the necessary procedures at AUD-603 Audit Program: Using the Work of an Auditor's Specialist.</p> <p>Substep g. now step 71. If an investment is valued by the entity using a valuation technique (e.g., discounted cash flows, option-pricing models), we obtained evidence regarding management's assertions about fair value by performing the appropriate procedures at AUD-816 Audit Program: Fair Value Measurements and Disclosures.</p> <p>Substep h. now step. 72. If collateral (e.g., negotiable securities, real estate, and property) is an important factor in evaluating the fair value and recoverability of the investment, we obtained evidence regarding the existence, fair value, and transferability of such collateral as well as the investor's rights to the collateral.</p> <p>Substep i. now step 73. We evaluated whether there were material declines in fair values subsequent to the balance sheet date.</p>				
New	<p>Digital/Crypto Assets</p> <p>We evaluated the entity's process for and transactions in digital assets, including how the entity:</p>	Procedures	Enhancement		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<ul style="list-style-type: none"> a) Assesses the consensus mechanism and the governance model and process for evaluating available wallet software that may be needed to transact. b) Maintains custody of its digital assets (e.g., whether it uses a third party or secure private keys). c) Evaluates available wallet software, uses wallet software, and backs up wallet software (e.g., whether encrypted private key information is backed up to provide the entity with continued access to the private key in case of system failure). d) Authorizes, processes, and records digital asset transactions, including the number of users required to process a transaction, and whether transactions are processed through encrypting and splitting of keys, or multisignature address signing requirements. e) Generates and store private keys (e.g., hot wallets connected to the internet, cold wallets that are offline). f) Protects private keys and other customer information. g) Maintains its books and records and reconciles them to the external blockchain. h) Manages, records, and reconciles off-chain transactions. i) Monitors addresses and other customer information for unauthorized activity. <p>New TQs in the TQ summary table related to digital/crypto assets.</p>				
New	<p>Digital/Crypto Assets Held for Others</p> <p>If the entity holds digital assets on behalf of others, we evaluated:</p> <ul style="list-style-type: none"> a) How the digital assets are safeguarded (e.g., self-custody or use of a third party), including the entity's processes and controls for wallet access, wallet management, and key generation. b) Whether the digital assets are stored in segregated or commingled wallets. c) The process or analysis the entity performs to determine who is the owner of which digital assets. 	Procedures	Enhancement		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>d) The entity's process for recording safeguarding assets and safeguarding liabilities.</p> <p>e) The entity's process for valuing digital assets, including the sources that the entity uses to measure, determine, and record the value.</p> <p>f) Whether the entity has the right to sell, transfer, loan, encumber, or pledge the digital assets without the owner's consent or notice, or both.</p> <p>g) Whether any of the digital assets are illiquid or thinly traded and, if so, the entity's policies for accounting for such assets.</p> <p>h) Whether the entity has insurance in place to cover potential digital asset losses, including the types of losses covered and whether the insurance policy covers the entirety of the digital assets held or only a portion.</p> <p>New TQs in the TQ summary table related to digital/crypto assets.</p>				
AUD-802B Audit Program: Derivative Instruments and Hedging Activities					
Modified	<p>Step <i>Derivatives and Hedging – Management's Estimate</i> Modified to read as follows:</p> <p>In addition to the appropriate procedures performed as presented at <i>AUD-820 Audit Program: Accounting Estimates</i>, we evaluated whether the accounting estimates and related disclosures are reasonable in the context of the applicable financial reporting framework, and management's determination of the fair value of all derivatives, including those that are freestanding, hedging instruments, and embedded features. If applicable, if management has not been able to measure the embedded derivative separately from its host contract, we have evaluated management's estimate of the entire hybrid (combined) contract at fair value.</p>	Procedures	New or Revised Guidance	SAS-143	Step will reset on roll forward
New	<p>New Step 6: <i>Fair Value Valuations and Accounting Estimates</i></p> <p>For derivative instruments reported at fair value, we evaluated whether the accounting estimates and related</p>	Procedures	New or Revised Guidance	SAS-143	Step will reset on roll forward

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	disclosures are reasonable in the context of the applicable financial reporting framework and performed appropriate procedures at AUD-820 Audit Program: Accounting Estimates .				
Modified	<p>Step 6 (now 7.) under Fair Value Valuations and Accounting Estimates modified to read as follows:</p> <p>In addition to the appropriate procedures performed as presented at AUD-820 Audit Program: Accounting Estimates, for derivative instruments that involve fair value accounting estimates, we took into account the relevance and reliability of information obtained from external information sources, including the following:</p> <ol style="list-style-type: none"> Whether fair values are based on trades of the same instrument or active market quotations. When the fair values are based on transactions of comparable assets or liabilities, how those transactions are identified and considered comparable. When the fair value measurement is based on a broker quote, whether the broker quote: (i) is from a market maker who transacts in the same type of financial instrument; (ii) is binding or nonbinding, with more weight placed on quotes based on binding offers; and (iii) reflects market conditions as of the date of the financial statements, when required by the applicable financial reporting framework. <p>Practice Point: When a fair value measurement is based on a quote from a broker or dealer (broker quote), the relevance and reliability of the evidence provided by the broker quote depend on whether:</p> <ul style="list-style-type: none"> The broker or dealer has a relationship with the entity by which management has the ability to influence the broker or dealer; The broker or dealer making the quote is a market maker that transacts in the same type of financial instrument; The broker quote reflects market conditions as of the date of the financial statements; The broker quote is binding on the broker or dealer; and 	Procedures	New or Revised Guidance	SASs 142 -144	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<ul style="list-style-type: none"> There are any restrictions, limitations, or disclaimers in the broker quote and, if so, their nature. <p>d.</p> <p>When there are no transactions either for the asset or liability or comparable assets or liabilities, how the information was developed, including whether the inputs developed and used represent the assumptions that market participants would use when pricing the asset or liability, if applicable.</p> <p>d. sub (2) Now 8.</p> <p>We evaluated whether it is necessary to obtain fair value accounting estimates from more than one pricing source, which may be appropriate if the pricing source has a relationship with the entity that might impair its objectivity, or the valuation is based on assumptions that are highly subjective or particularly sensitive to changes in the underlying circumstances.</p> <p>Practice Point: For derivatives where a readily determinable fair value does not exist, confirmation of fair value at the audit date alone may not be sufficient audit evidence to support the valuation assertion. Additionally, when using external pricing services to audit client fair value accounting estimates, consideration should be given to ensure the same pricing services used by the client are not also used by the auditor and the use of multiple pricing services is recommended.</p> <p>Substep f. now 9.</p> <p>For fair value accounting estimates obtained from external information sources, we considered whether it is necessary to use the work of a specialist. If it is determined that using the work of a specialist is necessary, we performed the necessary procedures at AUD-603 Audit Program: Using the Work of an Auditor's Specialist.</p> <p>Substep g. now 10.</p>				

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>If a derivative instrument is valued by the entity using a valuation technique (e.g., discounted cash flows, option-pricing models), we obtained evidence regarding management's assertions about fair value by performing the appropriate procedures at AUD-816 Audit Program: Fair Value Measurements and Disclosures.</p> <p>Substep h. now 11.</p> <p>If collateral (e.g., negotiable securities, real estate, and property) is an important factor in evaluating the fair value of the derivative, we obtained evidence regarding the existence, fair value, and transferability of such collateral as well as the investor's rights to the collateral.</p> <p>Substep i. now 12.</p> <p>We evaluated whether there were material declines in fair values subsequent to the balance sheet date.</p>				
Modified	<p>Step <i>Fraud Awareness</i> modified to read as follows:</p> <p>We were alert for items that may be indicative of fraud, such as unreasonable or unsupported fair value accounting estimates or unauthorized pledges of derivative instruments.</p>	Procedures	New or Revised Guidance	SAS-144	
AUD-804 Audit Program: Inventories and Cost of Sales					
New	New Practice Point on external inventory-taking firms not being management's specialists	Procedures	New or Revised Guidance	SAS-144	
Modified	<p>Step a. of <i>Observation Planning</i> modified to read as follows:</p> <p>We determined the physical inventory observation date, the locations of the inventory, including outside locations and warehouses, entity supervisory staff in charge of the inventory and inventory count, the materiality of inventory levels at the respective locations, and whether any outside external inventory-taking firm will be used in counting the inventory.</p>	Procedures	New or Revised Guidance	SAS-144	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
Modified	<p>Step b. of Observation Planning modified to read as follows:</p> <p>We obtained an understanding of the procedures that will be used by the entity to count the inventory and evaluated management's inventory instructions and procedures, location maps, samples of tags to be used, and other relevant information that will be used to document the inventory count procedures.</p>	Procedures	New or Revised Guidance	SAS-144	Step will reset on roll forward
Modified	<p>Step c. of Observation Planning modified to read as follows:</p> <p>We toured the entity's inventory locations, inspected the inventory, and determined which inventory items will be material to the overall financial statements when priced and extended.</p>	Procedures	New or Revised Guidance	SAS-144	
New	<p>New Step Attending Physical Count Is Impracticable: If attendance at physical inventory counting is impracticable, we performed alternative audit procedures to obtain sufficient appropriate audit evidence regarding the existence and condition of inventory or, if it was not possible to do so, we modified our opinion in the auditor's report.</p>	Procedures	New or Revised Guidance	SAS-144	
Modified	<p>Step Obsolescence Testing modified to read as follows:</p> <p>In addition to the appropriate procedures performed at AUD-820 Audit Program: Accounting Estimates, we performed the following procedures to test for slow-moving and obsolete items</p>	Procedures	New or Revised Guidance	SAS-144	
Modified	<p>Step Inventory Under the Custody and Control of a Third Party modified to read as follows:</p> <p>If inventory under the custody and control of a third party is material to the financial statements, we obtained sufficient appropriate audit evidence regarding the existence and condition of that inventory by performing one or more of the following procedures:</p> <p>a. We requested confirmation from the third party regarding the quantities and condition of inventory held on</p>	Procedures	New or Revised Guidance	SAS-144	Some steps here will reset on roll forward due to content changes.

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>behalf of the entity (see the sample confirmation letter requests at COR-808 and COR-809).</p> <p>b. We attended, or arranged for another auditor to attend, the third party's physical counting of inventory, if practicable.</p> <p>c. We obtained another auditor's report on the adequacy of the third party's internal control for ensuring that inventory is properly counted and adequately safeguarded.</p> <p>d. We inspected documentation regarding inventory held by third parties (e.g., warehouse receipts).</p> <p>e. We requested confirmation from other parties when inventory has been pledged as collateral (see work performed in the Debt Program at AUD-811 Audit Program: Debt and Lease Obligations).</p> <p>f. We tested the entity's control activities used in investigating and evaluating the third party's controls relevant to custody of the inventory.</p>				
AUD-807 Audit Program: Property and Equipment, and Depreciation					
Delete	Delete step Lease Capitalization Testing Under ASC 840	Procedures	New or Revised Guidance	ASC 842	
AUD-811 Audit Program: Debt and Lease Obligations					
Delete	Delete step Lease Obligations Under ASC 840	Procedures	New or Revised Guidance	ASC 842	
AUD-814 Audit Program: Journal Entries					
Modify	<p>Step <i>Understanding of Journal Entry Process</i> Modified to read as follows:</p> <p>We obtained an understanding of and evaluated the entity's financial reporting process and controls over journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements. and determined whether the controls have been implemented, including the following:</p>	Procedures	New or Revised Guidance	SAS-145	Step will reset on roll forward
AUD-816 Audit Program: Fair Value Measurements and Disclosures					

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
Modify	<p>Step <i>Understanding of Fair Value Measurements</i> Modified to read as follows:</p> <p>In addition to the appropriate procedures performed at <i>AUD-820 Audit Program: Accounting Estimates</i>, we obtained an understanding of the entity's transactions and environment relating to fair value measurements and disclosures, as follows:</p>	Procedures	New or Revised Guidance	SAS-143 & 144	
Modify	<p>Step <i>External Pricing and Valuation Services</i> Modified to read as follows:</p> <p>We inquired of management whether the entity retained external pricing and valuation services to provide its fair value measurements and, if "Yes," we performed the following procedures:</p>	Procedures	New or Revised Guidance	SAS-143 & 144	
New	<p>New step 6 under <i>Fair Value Procedures</i> .:</p> <p>For items reported at fair value, we evaluated whether the accounting estimates and related disclosures are reasonable in the context of the applicable financial reporting framework, and performed appropriate procedures as presented at <i>AUD-820 Audit Program: Accounting Estimates</i>.</p>	Procedures	New or Revised Guidance	SAS-143	Step will reset on roll forward
Modify	<p>Step 7. Under <i>Fair Value Procedures</i> Modified to read as follows:</p> <p>In addition to the appropriate procedures performed at <i>AUD-820 Audit Program: Accounting Estimates</i>, based on the circumstances, available information, and the nature of the estimate, we tested the fair value measurements by performing one or more of the following procedures:</p> <p>Substeps a. and b. deleted</p> <p>Substep b(1) (now a.) modified to read as follows:</p> <p>We evaluated the source, accuracy, completeness, and reliability of evidence related to management's significant assumptions and inputs.</p>	Procedures	New or Revised Guidance	SAS-143	Step will reset on roll forward

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<p>Substep b(6) (now f.) modified to read as follows: We evaluated management's assessment of the effect of estimation uncertainty to determine its reasonableness. If management has not adequately addressed the estimation uncertainty on estimates that give rise to significant risks, we developed a range with which to evaluate the reasonableness of accounting estimates.</p> <p>Substep c. (now l.) modified to read as follows: We developed independent fair value estimates to corroborate management's measurement. Under this approach, we used our own developed valuation technique, or developed an independent estimate to corroborate or contradict management's measurement. In such circumstances, we also obtained an understanding of management's assumptions and used that understanding as follows:</p>				
Modify	<p>Step <i>Measurements and Disclosures</i> Modified to read as follows: In addition to the appropriate procedures performed at <i>AUD-820 Audit Program: Accounting Estimates</i>, we evaluated whether the entity's fair value measurements and disclosures are in accordance with the applicable financial reporting framework, as follows: We evaluated management's intent and ability to carry out specific courses of action, where relevant to the fair value measurements and disclosures (e.g., classification of debt securities as held to maturity vs. available for sale or trading), by making inquiries of management and considering management's:</p>	Procedures	New or Revised Guidance	SAS-143	
Delete	<p>Steps <i>Retrospective Review, Bias Indicative of Fraud, and Management Representations</i> deleted as they are duplicates of the steps in the accounting estimates program.</p>	Procedures	New or Revised Guidance	SAS-143	
AUD-818 Audit Program: Share-Based Payments					

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
New	New step <i>Fair Value Valuations</i> For matters related to share-based payments reported at fair value, we evaluated whether the accounting estimates and related disclosures are reasonable in the context of the applicable financial reporting framework and performed appropriate procedures as presented at <i>AUD-820 Audit Program: Accounting Estimates</i> .	Procedures	New or Revised Guidance	SAS-143	
Modify	Step <i>Policies and Procedures for Determining Fair Value</i> Modified to read as follows: In addition to the appropriate procedures performed at <i>AUD-820 Audit Program: Accounting Estimates</i> , we evaluated the entity's policies, procedures, and design and operation of controls in place, for determining fair value measurements and disclosures of employee and non-employee share options and the recording and reporting of those options, including whether the entity:	Procedures	New or Revised Guidance	SAS-143	
AUD-819 Audit Program: Commitments and Contingencies					
Modify	Step <i>Legal Correspondence</i> Modified to read as follows: We reviewed the legal correspondence file and examined legal expense accounts and invoices from external legal counsel for indications of litigation, claims, or contingent liabilities, particularly lawsuits and pending tax assessments.	Procedures	New or Revised Guidance	SAS-142	
AUD-820 Audit Program: Accounting Estimates					
Modify *Insert new version	This audit program has been completely re-written to comply with the requirements of SASs 143 & 145 Prior versions of this workpaper will now be OBSOLETE on roll forward to the 2023 title. Please insert a new AUD-820 after roll forward and delete this now obsolete version. Please note this audit program will no longer include a library of procedures. Also this program is now a multiple instance workpaper and should be completed once for each Significant Accounting Estimate noted in KBA-105 and added as a risk in the risk pane.	Procedures	New or Revised Guidance	SAS-143 & 145	The rolled forward version of the workpaper is obsolete. Please insert a new version and delete the rolled forward version after review.

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
AUD-902 Audit Program: Going Concern through AUD-905 Audit Program: Evaluating Subsequently Discovered Facts Existing at the Date of the Auditor's Report, 910 Audit Program: Specific Element, Account, or Item of a Financial Statement in Accordance with AU-C Section 805 and 915 Audit or Interim Review Program: Auditor Involvement with Exempt Offering Documents					
New	<p>New step Information To Be Used As Audit Evidence</p> <p>We have evaluated information to be used as audit evidence by taking into account:</p> <ul style="list-style-type: none"> a. The relevance and reliability of the information, including its source; b. Whether such information corroborates or contradicts assertions in the financial statements; e. Whether the information is sufficiently precise and detailed for our purposes; and f. The accuracy and completeness of the information, as necessary. 	Procedures	New or Revised Guidance	SAS-142	
AUD-901 Audit Program: Subsequent Events					
Modify	<p>Step 4j. modified to read as follows:</p> <p>Any events have occurred that are relevant to the measurement of significant accounting estimates and related disclosures, or provisions made in the financial statements.</p>	Procedures	New or Revised Guidance	SAS-143	
AUD-903 Audit Program: Consideration of Fraud					
Modify	<p>Step 15. Modified to read as follows:</p> <p>Specific risks of material misstatement due to fraud that were identified at the financial statement and assertion levels, and a description of the auditor's responses to those risks, including the identification of the entity's controls that address such risks and our evaluation of their design and determination of whether they have been implemented.</p>	Procedures	New or Revised Guidance	SAS-145	
AUD-907 Interim Review Program: Review of Interim Financial Information					
Modify	<p>Step 4. Modified to read as follows:</p> <p>We have a sufficient understanding of the entity and its environment, the applicable financial reporting framework, and the entity's system of internal control as it relates to the preparation and fair presentation of both the annual and interim financial information to:</p>	Procedures	New or Revised Guidance	SAS-145	

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	<ul style="list-style-type: none"> a. Identify the types of potential material misstatements in the interim financial information and consider the likelihood of their occurrence. b. Identify particular events, transactions, or assertions to which the inquiries may be directed or analytical procedures applied. c. Select the inquiries and analytical procedures that will provide us with a basis for communicating whether we are aware of any material modifications that should be made to the interim financial information for it to be in accordance with the applicable financial reporting framework. 				
Modify	<p>Step 5. Modified to read as follows:</p> <p>We performed the following procedures to obtain or update our understanding of the entity and its environment, the applicable financial reporting framework, and the entity's system of internal control as it relates to the preparation and fair presentation of both annual and interim financial information:</p>	Procedures	New or Revised Guidance	SAS-145	Step will reset on roll forward
AUD-908 Interim Review Program: Management Inquiries					
New	<p>New step 2.</p> <p>Does management have a process for determining that significant accounting estimates including underlying assumptions are reasonable in the circumstances?</p>	Procedures	New or Revised Guidance	SAS-143	
Modified	<p>Step 5. Modified to read as follows:</p> <p>Have actions taken at meetings of those charged with governance, stockholders, board of directors, committees of the board of directors, or comparable meetings that may affect the financial statements been appropriately reflected in the financial statements (e.g., approval of officer compensation, loan agreements, dividends, dispositions)?</p>	Procedures	Workflow improvement		
Modified	<p>Intangibles Assets Section Step 7. Modified to read as follows:</p>	Procedures	Workflow improvement		

Type of Change	Description of Change	Location	Based on Standard Y/N	Standard Reference	Roll Forward Considerations
	If the U.S. GAAP accounting alternative for goodwill, available to nonpublic entities, has not been elected, have goodwill and other intangible assets not subject to amortization been tested for impairment in accordance with the applicable financial reporting framework?				
Modified	Long-Term Liabilities Section Step 3. Deleted as it is a duplicate of #24 in General Section.	Procedures	Workflow improvement		
Delete	Other Section Step 5. Modified to read as follows: Have any of the long-term liabilities been collateralized or subordinated and are they properly disclosed in the financial statements?	Procedures	Workflow improvement		
Modified	Other Section Step 4 (now 3). Modified to read as follows: Have there been any material transactions between the entity and related parties and if so, are they properly reflected in the financial statements?	Procedures	Workflow improvement		

Practice Aids (AIDs) have been modified and updated, where applicable, in accordance with current guidance as noted above with additional tips, references, and examples.

- **AID-201 Nonattest Services Independence Checklist** Section II – consideration added for new estimates standard

Auditor’s Reports (RPTs) have been modified and updated, where applicable, in accordance with current guidance as noted above, including the removal of Practice Points related to SASs 134-141. **Correspondence Documents (CORs)** have been modified and updated, where applicable, in accordance with current guidance.

- **CORs 201 Audit Engagement Letter Terminology through COR-202 Audit Engagement Letter When Also Performing Reviews of Interim Financial Information** changed to accommodate the new language from SASs 142-144 as described above.
- **CORs 203 Entity Consent and Acknowledgment Letter through 205 Request from Entity to Predecessor Auditor to Release Information to Successor Auditor** Revised to incorporate the provisions of SAS-147
- **COR-214 Group Engagement Team’s Letter of Instruction to the Component Auditor Who Performs Certain Audit Procedures or Audits the Financial Statements of a Component** Point 25. Modified to read:
 1. We request that you report the following information to us on a timely basis:
 - Significant accounting, financial reporting, and auditing matters, including significant accounting estimates, related judgments, and disclosures.
 - Matters relating to the going concern status of the component.
 - Matters relating to litigation and claims.
 - *Material weaknesses and significant deficiencies in internal control that you have identified during the performance of the work on the financial information of the component, and information that indicates the existence of fraud.*
- **COR-216 Communication with Those Charged with Governance during Planning** Language added for those who wish to communicate in writing (instead of the normal verbal) the significant risks identified in planning. Additional example “other matters” added to the practice point for those who wish to include “other matters”.

- **CORs 901 Management Representation Letter, 903 Communication with Those Charged with Governance, 909 Management Representation Letter: Interim Review of Financial Information—Long Form** Updated language regarding estimates and going concern.

Resource Documents (RESs)

- **RESs 001 Knowledge-Based Audit Methodology Overview** Added practice points on new and proposed standards. Language updated throughout for the requirements of SASs 142-148.
- **RES-002 Index of Audit Programs, Forms, and Other Practice Aids** Updated as needed.
- **RES-003 Consideration of Fraud in the Knowledge-Based Audit** through **RES-028 Identifying a Lease Checklist** Language and illustrative examples updated throughout to support the updates to the AUD and KBA documents noted above.
- **RES-015** Examples added for digital/crypto asset transactions.
- **RES-GOV** Added Practice Point related to GAO issuing an Exposure Draft, *Government Auditing Standards 2023 Revision*, which will revise *Government Auditing Standards 2018 Revision*.

In addition, forms and practice aids throughout have been updated to include new examples and tips and, where applicable, to take into account:

New literature, standards, and developments, reflected in the following current audit and accounting guidance:

- SAS No. 142, *Audit Evidence* (effective for periods ending on or after December 15, 2022);
- SAS No. 143, *Auditing Accounting Estimates and Related Disclosures* (effective for periods ending on or after December 15, 2023);
- SAS No. 144, *Amendments to AU-C Sections 501, 540, and 620 Related to the Use of Specialists and the Use of Pricing Information Obtained From External Information Sources* (effective for periods ending on or after December 15, 2023);
- SAS No. 145, *Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement* (effective for periods ending on or after December 15, 2023); and
- AICPA Ethics Interpretation, *Information System Services* (ET sec.1.295.145).

The following standards have not been fully incorporated but are discussed in practice alerts:

- SAS No. 143, *Auditing Accounting Estimates and Related Disclosures* (effective for periods ending on or after December 15, 2023);
- SAS No. 144, *Amendments to AU-C Sections 501, 540, and 620 Related to the Use of Specialists and the Use of Pricing Information Obtained from External Information Sources* (effective for periods ending on or after December 15, 2023); and
- SAS No. 145, *Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement* (effective for periods ending on or after December 15, 2023).

Users of this content should consider guidance issued subsequent to these items to determine their effect on engagements conducted using this product.

RELATED, FOUNDATIONS AND ASSOCIATION WORKPAPERS FOR THIS TITLE

Related workpapers are Knowledge Coach Word workpapers where information flows in or out of tables within the workpaper. Some of these related workpapers are Foundation workpapers or associated workpapers.

Foundation Workpapers include most of the Communication Hub workpapers, which are central to the Knowledge-Based Audit Methodology used by the Knowledge Coach titles.

Associated workpapers require you to associate them with custom values, such as audit areas, specialists, service organizations, and other items. Workpapers require an association when you need to have more than one instance of a particular Knowledge Coach workpaper in your binder for each type of item to which the workpaper is related. Making this association allows Knowledge Coach information to flow properly between workpapers.

<i>Form No.</i>	<i>Form Name</i>	<i>Foundation Workpaper</i>	<i>Association Workpaper</i>
KBAs	KNOWLEDGE-BASED AUDIT DOCUMENTS		
KBA-101	Overall Audit Strategy	X	
KBA-102	Engagement Completion Document	X	
KBA-103	Evaluating and Communicating Internal Control Deficiencies	X	
KBA-105	Review of Significant Accounting Estimates	X	
KBA-200	Entity Information and Background	X	
KBA-201	Client/Engagement Acceptance and Continuance Form		
KBA-301	Worksheet for Determination of Materiality, Performance Materiality, and Thresholds for Trivial Amounts		
KBA-302	Understanding the Entity and Its Environment		
KBA-303	Inquiries of Management and Others within the Entity about the Risks of Fraud and Noncompliance with Laws and Regulations		
KBA-400	Scoping and Mapping of Significant Account Balances, Classes of Transactions, and Disclosures	X	

<i>Form No.</i>	<i>Form Name</i>	<i>Foundation Workpaper</i>	<i>Association Workpaper</i>
KBA-401	Understanding Entity-Level Controls		
KBA-402	Understanding General Controls for Information Technology		
KBA-403	Understanding Activity-Level Controls: Rental Revenue, Accounts Receivable, and Cash Receipts		
KBA-404	Understanding Activity-Level Controls: Real Property and Equipment		
KBA-405	Understanding Activity-Level Controls: Other Assets		
KBA-406	Understanding Activity-Level Controls: Accounts Payable and Cash Disbursements		
KBA-407	Understanding Activity-Level Controls: Payroll and Related Liabilities		
KBA-408	Understanding Activity-Level Controls: Treasury		
KBA-409	Understanding Activity-Level Controls: Income Taxes		
KBA-410	Understanding Activity-Level Controls: Financial Reporting and Closing Process		
KBA-411	Understanding Controls Maintained by a Service Organization		X
KBA-502	Summary of Risk Assessments	X	
KBA-503	Basis for Inherent Risk Assessment	X	
KBA-902	Audit Review and Approval Checklist		
KBA-904	Audit Documentation Checklist		

<i>Form No.</i>	<i>Form Name</i>	<i>Foundation Workpaper</i>	<i>Association Workpaper</i>
KBA-905	Review and Approval Checklist: Interim Review of Financial Information		
AUDs	AUDIT PROGRAMS		
AUD-100	Engagement-Level Tailoring Questions	X	
AUD-101	Overall Audit Program	X	
AUD-201	Audit Program: Opening Balances and Additional Audit Procedures for an Initial Audit or Reaudit Engagement		
AUD-602	Audit Program: Involvement of a Component Auditor		X
AUD-603	Audit Program: Using the Work of an Auditor's Specialist		X
AUD-604	Audit Program: Using the Work of a Management's Specialist		X
AUD-701	Audit Program: Designing Tests of Controls		
AUD-800	Audit Program: Custom		X
AUD-801	Audit Program: Cash		
AUD-802A	Audit Program: Investments		
AUD-802B	Audit Program: Derivative Instruments and Hedging Activities		
AUD-803	Audit Program: Receivables and Revenues from Real Estate Operations		
AUD-804	Audit Program: Receivables and Revenues from Timeshare Operations		

<i>Form No.</i>	<i>Form Name</i>	<i>Foundation Workpaper</i>	<i>Association Workpaper</i>
AUD-805	Audit Program: Prepaid Expenses, Deferred Charges, and Other Assets		
AUD-806	Audit Program: Intangible Assets		
AUD-807	Audit Program: Real Estate, Property and Equipment, and Depreciation		
AUD-808	Audit Program: Accounts Payable and Purchases		
AUD-809	Audit Program: Payroll and Related Liabilities		
AUD-810	Audit Program: Income Taxes		
AUD-811	Audit Program: Debt and Lease Obligations		
AUD-812	Audit Program: Equity		
AUD-813	Audit Program: Real Estate Project Costs and Operating Expenses		
AUD-814	Audit Program: Other Income and Expense		
AUD-815	Audit Program: Journal Entries		
AUD-816	Audit Program: Related-Party Transactions		
AUD-817	Audit Program: Fair Value Measurements and Disclosures		
AUD-818	Audit Program: Variable Interest Entities		
AUD-819	Audit Program: Share-Based Payments		

<i>Form No.</i>	<i>Form Name</i>	<i>Foundation Workpaper</i>	<i>Association Workpaper</i>
AUD-820	Audit Program: Commitments and Contingencies		
AUD-821	Audit Program: Accounting Estimates		
AUD-822	Audit Program: Concentrations		
AUD-823	Audit Program: Business Combinations		
AUD-901	Audit Program: Subsequent Events		
AUD-902	Audit Program: Going Concern		
AUD-903	Audit Program: Consideration of Fraud		
AUD-904	Audit Program: Compliance with Laws and Regulations		
AUD-907	Interim Review Program: Review of Interim Financial Information		
AUD-908	Interim Review Program: Management Inquiries		
AUD-909	Audit Program: Financial Statement Review		
AUD-910	Audit Program: Specific Element, Account, or Item of a Financial Statement in Accordance with AU-C 805		
AUD-915	Audit or Interim Program: Auditor Involvement with Exempt Offering Documents		
AIDs	PRACTICE AIDS		
AID-201	Nonattest Services Independence Checklist		

<i>Form No.</i>	<i>Form Name</i>	<i>Foundation Workpaper</i>	<i>Association Workpaper</i>
AID-302	Understanding the Entity's Revenue Streams and Revenue Recognition Policies		
AID-601	Considering the Use of the Work of Internal Auditors		
AID-603	Component Identification and Analysis		
AID-702	Results of Tests of Controls		
AID-801	Audit Sampling Worksheet for Substantive Tests of Details		
AID-901	Differences of Professional Opinion		

Additional Information for Associated Workpapers

The following tables list the workpapers that require association in this title, along with the information that must be completed before you can insert each workpaper.

Workpaper Requiring Association	What is it associated with?		
	Workpaper	Table/Question	Association Item (Custom Value)
KBA-411 Understanding Ctrl's: Service Org (Custom)	AUD-100 Engagement-Level Tailoring Questions Workpaper	Does the entity use service organizations? Shows the "Document the service organizations used by the entity." table in KBA-101 Overall Audit Strategy.	
	KBA-101 Overall Audit Strategy	Document the service organizations used by the entity.	Service Organization
AUD-602 Audit Program: Component Auditor Involvement (Custom)	AUD-100 Engagement-Level Tailoring Questions Workpaper	Does the auditor plan to rely on audit evidence provided by a component auditor? is "Yes" Shows the "Document the audit evidence provided by the component auditor(s) that the engagement team will rely on in our engagement." table in KBA-101 Overall Audit Strategy.	
	KBA-101 Overall Audit Strategy	Document the audit evidence provided by the component auditor(s) that the engagement team will rely on in our engagement.	Audit Firm Name
AUD-603 Audit Program: Auditor's Specialist (Custom)	AUD-100 Engagement-Level Tailoring Questions Workpaper	Does the auditor intend to use a specialist on this engagement? is "Yes" Shows the "Document the expected use of a specialist(s) on our audit." table in KBA-101 Overall Audit Strategy.	
	KBA-101 Overall Audit Strategy	Document the expected use of a specialist(s) on our audit. Then select Auditor's Specialist from the Type of Specialist Column	Specialist Firm Name
AUD-604 Audit Program: Management's Specialist (Custom)	AUD-100 Engagement-Level Tailoring Questions Workpaper	Does the auditor intend to use a specialist on this engagement? is "Yes" Shows the "Document the expected use of a specialist(s) on our audit." table in KBA-101 Overall Audit Strategy.	
	KBA-101 Overall Audit Strategy	Document the expected use of a specialist(s) on our audit. Then select Management's Specialist from the Type of Specialist Column.	Specialist Firm Name
AUD-800 Audit Program: (Custom)	AUD-100 Engagement-Level Tailoring Questions Workpaper	What financial statement audit areas are applicable to this engagement? "Customize Audit Area" link within the answer selection box.	Custom Audit Area