

FASB SSARS and SAS:

An Update and Review for 2022

Course Description

The purpose of this course is to inform the reader of the various changes affecting accounting, compilation and review, and auditing engagements as well as a review and recall of existing standards. Topics include a summary of newly issued FASB statements, new statements issued by the Auditing Standards Board, changes in compilation and review, current and pending developments, practice issues, and more.

Completion Deadline & Exam: This course, including the examination, must be completed within one year of the date of purchase.

Course Level: Overview. This program is appropriate for professionals at all organizational levels.

CPE Credits: 24 (CPA) (16 hours accounting, 8 hours auditing)

Category: Accounting and Auditing

Prerequisite: Basic understanding of U.S. GAAP, compilation and review, and auditing standards

Advanced Preparation: None

Course Learning Objectives

Chapter 1: Implementing the New Lease Standard- 2022

1. Recognize a key change made to GAAP by the new lease standard
2. Identify a type of lease that exists for a lessee under ASU 2016-02
3. Recall a type of lease for which the ASU 2016-02 rules do not apply
4. Recognize some of the criteria that determine whether a contract is or is not a lease
5. Identify how a lessee should account for initial direct costs
6. Recall how a lessor should initially account for initial direct costs for a lease in certain instances
7. Identify how a lessor should account for lease payments received on the income statement for an operating lease
8. Recognize how certain existing leases are accounted for on the implementation date of ASU 2016-02

9. Recall the potential impact that the new lease standard might have on a lessee's EBITDA and debt-equity ratios.

Chapter 2: Accounting and Financial Reporting for COVID-19, the CARES Act and PPP Loans

1. Recognize some types of concentrations that might require disclosure under the risk and uncertainty rules including supply-chain shortages
2. Identify the definition of near term
3. Recall the frequency in which an entity should test goodwill for impairment
4. Recognize some exit and disposal costs
5. Recall how to classify business interruption insurance proceeds on the financial statements
6. Identify the benchmark used to determine going concern
7. Identify a method that can be used to measure variable consideration revenue
8. Recognize an example of a construction-type contract
9. Identify an advantage of a remote accounting function
10. Recall how to adjust a deferred tax account when there is a change in tax law
11. Recognize a change made by the CARES Act to the deductibility of interest
12. Recognize how to account for PPP loan forgiveness
13. Identify how to treat the forgiveness of a PPP loan for tax purposes.

Chapter 3: Accounting and Disclosures for the Employee Retention Credit (ERC) and the Pass-Through Entity (PTE) Tax

1. Recognize the type of expense that is the basis for measuring the amount of the ERC.
2. Identify where to present the ERC in the statement of income using the ASC 958 conditional contribution model.
3. Recognize where to present the ERC in the statement of income using the IAS 20 grant model.
4. Identify an action step to be taken to correct the previous presentation and disclosure of an ERC in the prior year statement of income.
5. Recognize the proper presentation of the ERC in a tax-basis statement of income.
6. Recognize a technique that has been attempted to circumvent the SALT deduction limitation.
7. Identify how to account for the PTE tax in an entity's financial statements.

8. Recognize the requirements for recording deferred state income taxes with respect to the PTE tax election.
9. Identify disclosures that should be made for the PTE tax.

Chapter 4: ASU 2016-13 Financial Instruments – Credit Losses (Topic 326)

Measurement of Credit Losses on Financial Instruments

1. Recognize the model that ASU 2016-13 uses to deal with credit losses
2. Identify how credit losses should be recorded under new ASU 2016-13
3. Identify some of the disclosures required by ASU 2016-13.

Chapter 5: Current Developments- Accounting and Financial Reporting

1. Identify the elements that are the target of the FASB's disaggregation project
2. Recognize one of the characteristics of a multi-employer pension plan
3. Recognize the impact that life expectancy has on the amount of a pension liability
4. Identify the basic rule of the LIFO Conformity Requirement
5. Recognize how the IPIC external index for LIFO is used for GAAP
6. Recall the type of investment that is eliminated by ASU 2016-01
7. Identify when a sustainability disclosure is required by an SEC company
8. Recognize an example of a contract that is exempt from the scope of the revenue standard
9. Identify one of the two approaches that is used to recognize revenue using the new revenue standard
10. Recall a change to the accounting for goodwill that is proposed by the FASB
11. Recognize how to present deferred income taxes on the balance sheet under ASU 2015-17
12. Recognize the basis that most marijuana businesses have to use
13. Recognize when a state might be able to charge sales tax under the Wayfair decision

Chapter 6: Selected Accounting Standards Updates (ASUs)

1. Identify the private company election to perform a triggering event evaluation
2. Recognize the types of arrangements that qualify for the private company accounting alternative election related to goodwill amortization and acquisitions
3. Recognize the accounting alternative for leases under common control in ASU 2018-17s

Chapter 7: SSARS No. 25 - Materiality in a Review of Financial Statements and Adverse Conclusion

1. Recognize a precondition for an accountant to accept a SSARS engagement
2. Recall whether the preparation of financial statements standard is an attest or nonattest service
3. Identify whether a report is required in a preparation of financial statements engagement
4. Recognize what the reporting requirements are, if any, when a "no assurance" legend is omitted from prepared financial statements under the AR-C 70 standards
5. Identify where to disclose GAAP departures in a preparation of financial statements engagement
6. Identify factors that should consider in determining materiality in a review engagement
7. Recognize a change that SSARS No. 25 makes to the accountant's review report
8. Identify the term that GAAP uses for management's assessment of an entity's going concern
9. Recall some of the items that should be documented in a review engagement

Chapter 8: New Auditing and Attestation Standards: SAS Nos. 134-145

1. Identify a suggestion for an auditor reducing time and increasing audit efficiency
2. Recognize when negative accounts receivable confirmations should not be used
3. Identify the form of a comfort letter that would be appropriate for an accountant to make to a lender
4. Recall the rule for an auditor presenting his or her city and state on the audit report
5. Identify the rules for an auditor communicating deficiencies found in an audit
6. Recognize an example of a result that can occur if there is a problem with a DOL employee benefit plan audit
7. Identify a type of fraudster
8. Recall the location of certain sections in the auditor's report
9. Recognize the categorization of an adverse opinion
10. Identify a change that SAS No. 136 makes to the limited-scope ERISA audit
11. Recognize one of the changes made by AU-C 703 to ERISA audits
12. Recall the reporting requirement when an auditor obtains other information in an audit
13. Identify a reference that is made in the new definition of materiality
14. Recognize the definition of certain types of paragraphs made by SAS No. 139
15. Recognize an example of an attribute of information obtained as audit evidence per SAS No. 142
16. Identify how inherent and control risk should be assessed under the SAS No. 143 requirements

17. Recall the three approaches that an auditor can use to perform further audit procedures required by SAS No. 143
18. Identify some instances in which an auditor may conclude that a specialist's work is not adequate
19. Identify a type of risk assessment procedure that an auditor can use in accordance with SAS No. 145
20. Recall examples of risk assessment procedures that an auditor may perform in SAS No. 145
21. Recognize how to perform risk assessment procedures when relying on information obtained from previous experience with an entity
22. Identify examples of risk assessment procedures to obtain audit evidence in accordance with SAS No. 145
23. Recognize a new requirement made by SAS No. 145 in connection with assessing inherent risk and control risk in an audit, and
24. Identify how an auditor should respond if the auditor does not plan to test the operating effectiveness of an entity's controls.