

ACCOUNTING & AUDITING UPDATE

RECENTLY ISSUED AUDIT AND ATTEST STANDARDS AND GUIDANCE

NCPACA CONVENTION

FRIDAY, JULY 5, 2019

2:00-3:00 PM CST



MJ

McCONNELL & JONES LLP
CERTIFIED PUBLIC ACCOUNTANTS

Learning Objectives

At the end of this webinar, participants should be able to:

- Learn the new accounting standards regarding the auditor's report
- Identify the changes applicable under the new standards
- Understand the objectives of the changes



Gosia Kanda, CPA

Manager, ERISA Assurance and Compliance Services
McConnell & Jones LLP



Ms. Gosia Kanda has been a part of the McConnell & Jones' (MJ) ERISA Assurance and Compliance Service Team since she joined the firm in 2012. She has since managed audits of clients ranging from small entities to Fortune 500 companies, including distribution, oil & gas, manufacturing and sales. She is in charge of employee benefit plans, which include defined contribution, defined benefit and health & welfare plans with assets base ranging from \$1 million to \$5 billion. Ms. Kanda has knowledge of the requirements of DOL, ERISA, IRS and SEC for the 11-k filings and she routinely assists clients with regulatory updates and recommendations for the administration of their plans.

Ms. Kanda also trains and supervises staff on audit engagements and is an integral part of the team that prepares and files clients' forms 5500. She has been on the MJ ERISA Assurance and Compliance Services Team for more than seven (7) years. Ms. Kanda participates in national webinars on Employee Benefit Plan topics and is a regular editorial contributor to the 401(k) Advisor, which is a monthly publication published by Wolters Kluwer.

Education / Certifications:

- Master's in Economics, International Relations and Global Issues, University of Economics, Katowice, Poland
- Certificate in Accountancy Program, University of Houston, Bauer College of Business
- Certified Public Accountant

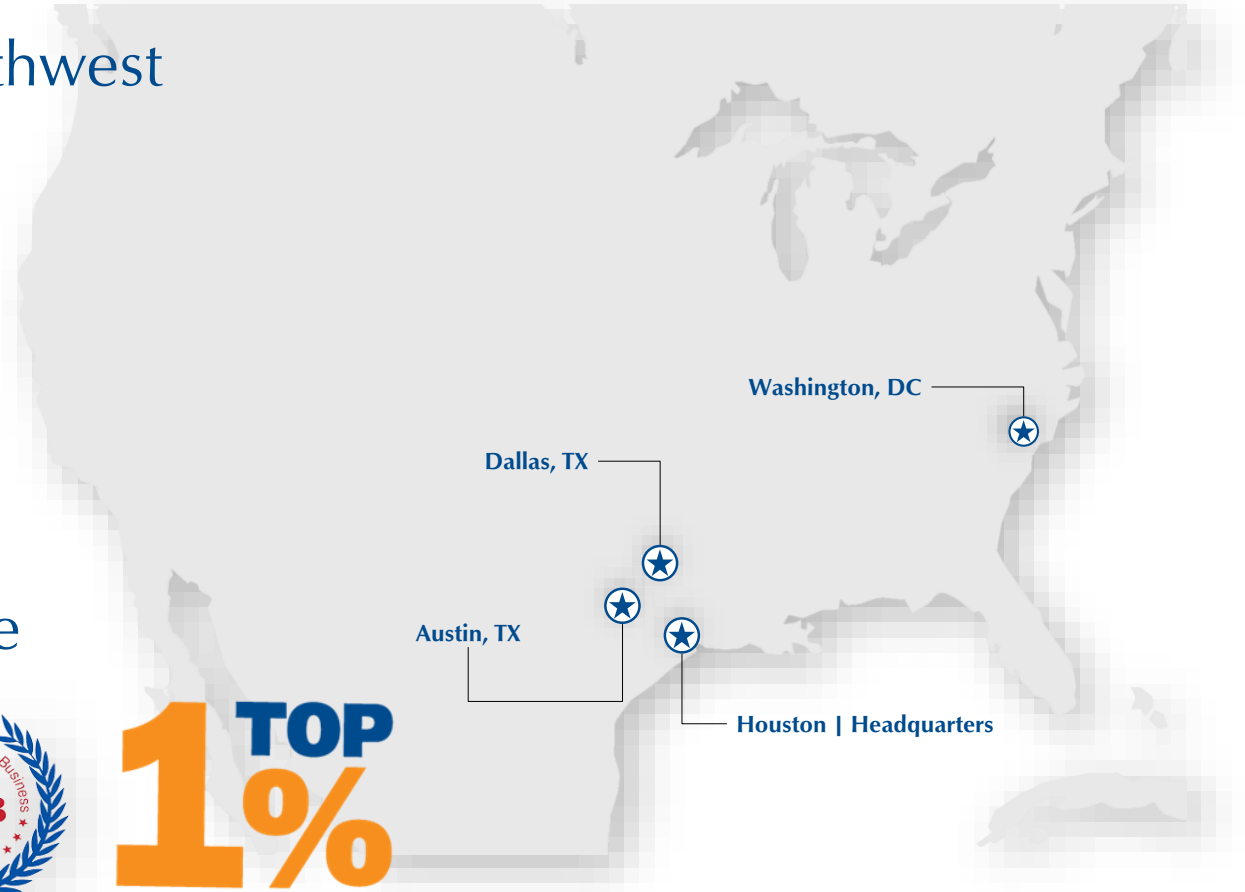
Member of:

- American Institute of Certified Public Accountants



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- Top 20 Accounting Firm in the Southwest
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Auditor Reporting AU-C 700 Series



Auditor Reporting

SAS No. 134, Auditor Reporting and Amendments, Including Amendments Addressing Disclosures in the Audit of Financial Statements

- Section 700, *Forming an Opinion and Reporting on Financial Statements*
- Section 705, *Modifications to the Opinion in the Independent Auditor's Report*
- Section 706, *Emphasis-of-Matter Paragraphs and Other-Matter Paragraphs in the Independent Auditor's Report*

Effective for audits of financial statements for periods ending on or after December 15, 2020. Early adoption not permitted.



SECTION 700

SECTION 700, FORMING AN OPINION AND REPORTING ON FINANCIAL STATEMENTS

Significant changes to the auditor's report include:

- Opinion section first
- Basis for opinion section second, include phrase that *the auditor is required to be independent of the entity and to meet the auditor's other ethical responsibilities, in accordance with the relevant ethical requirements relating to the audit*
- Key Audit Matters Section



SECTION 700

SECTION 700, FORMING AN OPINION AND REPORTING ON FINANCIAL STATEMENTS

Auditor's responsibility is expanded to include:

- *Professional judgement and skepticism*
- *Going concern (AU-C 570)*
- *Communications with those charged with governance*

Management's responsibility is expanded to include:

- *Going concern evaluation*



SECTION 706

SECTION 706, EMPHASIS-OF-MATTER PARAGRAPHS AND OTHER-MATTER PARAGRAPHS IN THE INDEPENDENT AUDITOR'S REPORT

Clarified relationship between the Emphasis of Matter (EOM) paragraphs and Key Audit Matters (KAM) in the auditor's report

- Under AU-C section 701, Communicating Key Audit Matters in the Independent Auditor's Report, can't substitute the EOM with KAM
- If KAM applies, EOM heading to include Emphasis of Matter



SAS No. 135

Omnibus Statement on Auditing Standards – 2019



SAS NO. 135

SAS NO. 135, OMNIBUS STATEMENT ON AUDITING STANDARDS

Main changes related to the following sections:

- AU-C section 260, *Communications With Those Charged With Governance*
- AU-C section 550, *Related Parties*, and
- AU-C section 240, *Consideration of Fraud in a Financial Statement Audit*, in AICPA Professional Standards.

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Questions & Answers



We're Here For You



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