
AT-C Section 105

Concepts Common to All Attestation Engagements

Marked to reflect revisions pursuant to the exposure draft of proposed SSAE Amendments to the Attestation Standards for Consistency With the Issuance of AICPA Standards on Quality Management

Source of baseline: SSAE No. 18; SSAE No. 19; SSAE No. 21.

Introduction

.01 This section applies to engagements in which a CPA in the practice of public accounting is engaged to issue, or does issue, a practitioner's

- assertion-based examination report in accordance with section 205, *Assertion-Based Examination Engagements*,
- direct examination report in accordance with section 206, *Direct Examination Engagements*,
- review report in accordance with section 210, *Review Engagements*, or
- agreed-upon procedures report in accordance with section 215, *Agreed-Upon Procedures Engagements*.

In this section, when the term *examination* is used, it is inclusive of both assertion-based and direct examination engagements.

In all attestation engagements, the underlying subject matter is the responsibility of a party other than the practitioner. (Ref: par. A1)

Examination and Review Engagements

.02 Examination and review engagements include the following:

- a. Assertion-based examination engagements, in which a party other than the practitioner measures or evaluates the underlying subject matter against the criteria and provides an assertion about the outcome of the measurement or evaluation, and the practitioner expresses an opinion in a written



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report about whether the underlying subject matter is in accordance with (or based on) the criteria, in all material respects, or the responsible party's assertion is fairly stated, in all material respects.

- b. Direct examination engagements, in which the practitioner measures or evaluates the underlying subject matter against the criteria and performs other procedures to obtain sufficient appropriate evidence to express an opinion in a written report that conveys the results of that measurement or evaluation. The responsible party does not provide an assertion about the results of the measurement or evaluation of the underlying subject matter against the criteria.
- c. Review engagements, in which a party other than the practitioner measures or evaluates the underlying subject matter against the criteria and provides an assertion about the outcome of the measurement or evaluation, and the practitioner expresses a conclusion in a written report about whether the practitioner is aware of any material modifications that should be made to the subject matter in order for it to be in accordance with (or based on) the criteria or the responsible party's assertion in order for it to be fairly stated.

.03 The practitioner's objective in both an assertion-based examination engagement and a direct examination engagement is to obtain reasonable assurance. Section 205 contains requirements and application material for assertion-based examination engagements. Section 206 contains requirements and application material for direct examination engagements.

.04 An assertion-based examination engagement and a review engagement are predicated on the concept that a party other than the practitioner makes an assertion about whether the underlying subject matter is measured or evaluated in accordance with suitable criteria. Section 205 and section 210 require the practitioner to request such an assertion in writing when performing an assertion-based examination engagement or a review engagement.^{fn 1} In assertion-based examination engagements and review engagements, when the engaging party is the responsible party, the responsible party's refusal to provide a written assertion requires the practitioner to withdraw from the engagement when withdrawal is possible under applicable laws and regulations.^{fn 2} In assertion-based examination engagements and review engagements, when the engaging party is not the responsible party and the responsible party refuses to provide

^{fn 1} Paragraph .10 of section 205, *Assertion-Based Examination Engagements*, and paragraph .11 of section 210, *Review Engagements*.

^{fn 2} Paragraph .84 of section 205 and paragraph .59 of section 210.

a written assertion, the practitioner need not withdraw from the engagement but is required to disclose that refusal in the practitioner's report and restrict the use of the report to the engaging party.^{fn 3} ^[fn 4]
The purpose of an examination or review engagement is to provide users of information with an opinion or conclusion regarding the underlying subject matter, as measured or evaluated against suitable and available criteria. An examination engagement results in an opinion, and a review engagement results in a conclusion. The purpose of an agreed-upon procedures engagement is to provide users of information with the results of procedures performed by the practitioner on underlying subject matter or subject matter information. An agreed-upon procedures engagement results in findings.

.05 This section is not applicable to professional services for which the AICPA has established other professional standards, for example, services performed in accordance with (Ref: par. .A2)

- a. Statements on Auditing Standards,
- b. Statements on Standards for Accounting and Review Services
- c. Statements on Standards for Tax Services, or
- d. Statements on Standards for Consulting Services, including litigation services that involve pending or potential legal or regulatory proceedings before a trier of fact. (Ref: par. .A3)

.06 An attestation engagement may be part of a larger engagement, for example, a feasibility study or business acquisition study that also includes an examination of prospective financial information. In such circumstances, the attestation standards apply only to the attestation portion of the engagement.

Compliance With the Attestation Standards

.07 The "Compliance With Standards Rule" (ET sec. 1.310.001) of the AICPA Code of Professional Conduct requires members who perform professional services to comply with standards promulgated by bodies designated by the Council of the AICPA.

Relationship of Attestation Standards to Quality ~~Control~~-Management Standards

^{fn 3} Paragraph .86 of section 205 and paragraph .60 of section 210.

^[fn 4] [Footnote deleted by the issuance of SSAE No. 19, December 2019.]

- .08 Quality ~~control-management~~ systems, policies, and procedures are the responsibility of the firm in conducting its attestation practice. Under QM section 10A, *A Firm's System of Quality ~~Control/Management~~*, the firm has an obligation to ~~establish design, implement, and maintain-operate~~ a system of quality ~~control management to provide it~~ that provides the firm with reasonable assurance that^{fn 5} (Ref: par. .A4-.A6)
- a. the firm and its personnel ~~comply-fulfill their responsibilities in accordance~~ with professional standards and applicable legal and regulatory requirements ~~and conduct engagements in accordance with such standards and requirements,~~ and
 - b. ~~practitioners' engagement~~ reports issued by the firm ~~or engagement partners~~ are appropriate in the circumstances.
- .09 Attestation standards relate to the conduct of individual attestation engagements; quality ~~control-manage-ment~~ standards relate to the conduct of a firm's attestation practice as a whole. Thus, attestation standards and quality ~~control-management~~ standards are related, and the quality ~~control-management~~ policies and procedures that ~~a-the firm adopts-establishes~~ may affect both the conduct of individual attestation engagements and the conduct of ~~a-the~~ firm's attestation practice as a whole. However, deficiencies in ~~the firm's system of quality management~~ or instances of noncompliance with ~~a-the~~ firm's ~~quality-control~~ policies and procedures ~~established in accordance with QM section 10~~ do not, in and of themselves, indicate that a particular engagement was not ~~performed-conducted~~ in accordance with the attestation standards.

Effective Date

- .10 This section is effective for practitioners' reports dated on or after May 1, 2017.

Objectives

- .11 In conducting an attestation engagement, the overall objectives of the practitioner are as follows:
- a. Apply the requirements relevant to the attestation engagement
 - b. Report on the underlying subject matter or subject matter information (or assertion) and communicate as required by the applicable AT-C section, in accordance with the results of the practitioner's procedures

^{fn 5} Paragraph .12-20 of QM section 10A, *A Firm's System of Quality ~~Control/Management~~*.

- c. Implement quality ~~control-management procedures-responses~~ at the engagement level that provide the practitioner with reasonable assurance that the attestation engagement complies with professional standards and applicable legal and regulatory requirements

Definitions

.12 For purposes of the attestation standards, the following terms have the meanings attributed as follows:

Assertion. Any declaration or set of declarations about whether the underlying subject matter or subject matter information is in accordance with (or based on) the criteria. An assertion is subject matter information.

Attestation engagement. An engagement performed under the attestation standards. The following are the four types of attestation engagements:

- a. **Assertion-based examination engagement.** An attestation engagement in which the practitioner obtains reasonable assurance by obtaining sufficient appropriate evidence about the responsible party's measurement or evaluation of the underlying subject matter against criteria in order to be able to draw reasonable conclusions on which to base the practitioner's opinion about whether the subject matter is in accordance with (or based on) the criteria or the responsible party's assertion is fairly stated, in all material respects. (Ref: par. .A7)
- b. **Direct examination engagement.** An attestation engagement in which the practitioner obtains reasonable assurance by measuring or evaluating the underlying subject matter against the criteria and performing other procedures to obtain sufficient appropriate evidence to express an opinion that conveys the results of that measurement or evaluation. In a direct examination engagement, the responsible party does not provide an assertion. (Ref: par. .A7)
- c. **Review engagement.** An attestation engagement in which the practitioner obtains limited assurance by obtaining sufficient appropriate review evidence about the responsible party's measurement or evaluation of underlying subject matter against criteria in order to express a conclusion about whether any material modification should be made to the subject matter information in order for it to be in accordance with (or based on) the criteria or to the responsible party's assertion in order for it to be fairly stated. (Ref: par. .A8)
- d. **Agreed-upon procedures engagement.** An attestation engagement in which a practitioner performs specific procedures on underlying subject matter or subject matter information or an assertion and reports the findings without providing an opinion or a conclusion.

Attestation risk. In an examination or review engagement, the risk that the practitioner expresses an inappropriate opinion or conclusion, as applicable, when the subject matter information (or assertion) is materially misstated. (Ref: par. .A9–.A15)

Criteria. The benchmarks used to measure or evaluate the underlying subject matter. (Ref: par. .A16)

Documentation completion date. The date on which the practitioner has assembled for retention a complete and final set of documentation in the engagement file.

Engagement circumstances. The broad context defining the particular engagement, which includes the terms of the engagement; whether it is an examination, review, or agreed-upon procedures engagement; the characteristics of the underlying subject matter; the criteria; the information needs of the intended users; relevant characteristics of the responsible party and, if different, the engaging party and their environment; and other matters, for example, events, transactions, conditions and practices, and relevant laws and regulations, that may have a significant effect on the engagement.

Engagement documentation. The record of procedures performed, relevant evidence obtained, and, in an examination or review engagement, conclusions reached by the practitioner, or in an agreed-upon procedures engagement, findings of the practitioner. (Terms such as *working papers* or *workpapers* are also sometimes used).

Engagement partner.^{fn6} The partner or other ~~person in~~ individual appointed by the firm who is responsible for the attestation engagement and its performance and for the practitioner's report that is issued on behalf of the firm and who, when required, has the appropriate authority from a professional, legal, or regulatory body. ~~Engagement partner, partner, and firm refer to their governmental equivalents when relevant.~~ (Ref: par. .A17)

Engagement quality review. An objective evaluation of the significant judgments made by the engagement team and the conclusions reached thereon, performed by the engagement quality reviewer and completed before the engagement report is released.

Engagement quality reviewer. A partner, other individual in the firm, or an external individual appointed by the firm to perform the engagement quality review.

Engagement team. All partners and staff performing the attestation engagement and any other individuals ~~engaged by the firm or a network firm~~ who perform attestation procedures on the engagement. ~~This excludes~~ excluding a practitioner's external specialist and ~~engagement quality~~

^{fn6} Engagement partner, partner, and firm refer to their governmental equivalents when relevant.

~~control reviewer engaged by the firm or a network firm. The term *engagement team* also excludes individuals within the client's internal audit function~~ internal auditors who provide direct assistance on an engagement. (Ref: par. .A18)

Engaging party. The party that engages the practitioner to perform the attestation engagement. (Ref: par. ~~.A17~~.A19)

Evidence. Information used by the practitioner in arriving at the opinion, conclusion, or findings on which the practitioner's report is based.

Firm. A form of organization permitted by law or regulation whose characteristics conform to resolutions of the Council of the AICPA and that is engaged in the practice of public accounting. (Ref: par. .A20)

Fraud. An intentional act involving the use of deception that results in a misstatement in the subject matter or the assertion.

General use. Use of a practitioner's report that is not restricted to specified parties.

Internal audit function. A function of an entity that performs assurance and consulting activities designed to evaluate and improve the effectiveness of the entity's governance, risk management, and internal control processes.

Interpretative publications. Interpretations of the Statements on Standards for Attestation Engagements (SSAEs), exhibits to SSAEs, guidance on attestation engagements included in AICPA Audit and Accounting Guides, and AICPA attestation Statements of Position, to the extent that those statements are applicable to such engagements.

Misstatement. A difference between the measurement or evaluation of the underlying subject matter and the appropriate measurement or evaluation of the underlying subject matter in accordance with (or based on) the criteria. Misstatements can be intentional or unintentional, qualitative or quantitative, and include omissions. In certain engagements, a misstatement may be referred to as a *deviation, exception, or instance of noncompliance.*

Network. As defined in "Definitions" (ET sec. 0.400) in the AICPA code, an association of entities that includes one or more firms. (Ref: par. .A20)

Network firm. As defined in "Definitions" (ET sec. 0.400) in the AICPA code, A-a firm or other entity that belongs to a network, as defined in ET section 0.400, Definitions. References to a *network firm* are to be read hereafter as "another firm or entity that belongs to the same network as the firm." (Ref: par. .A20)

Noncompliance with laws or regulations. Acts of omission or commission by the entity, either intentional or unintentional, that are contrary to the prevailing laws or regulations. Such acts

include transactions entered into by, or in the name of, the entity or on its behalf by those charged with governance, management, or employees. *Noncompliance* does not include personal misconduct (unrelated to the underlying subject matter or subject matter information) by those charged with governance, management, or employees of the entity.

Other attestation publications. Publications other than interpretive publications. These include AICPA attestation publications not defined as interpretive publications; attestation articles in the *Journal of Accountancy* and other professional journals; continuing professional education programs and other instructional materials, textbooks, guidebooks, attestation programs, and checklists; and other attestation publications from state CPA societies, other organizations, and individuals.

Other practitioner. ~~An independent practitioner who is not a member of the engagement team who performs work on information that will be used as evidence by the practitioner performing the attestation~~ attestation procedures on the engagement. An other practitioner is either (a) part of the engagement team and the practitioner uses the work of the other practitioner or (b) not part of the engagement team and the practitioner makes reference to the other practitioner in the practitioner's report. An other practitioner may be part of the practitioner's firm, a network firm, or another firm.

Partner. Any individual with authority to bind the firm with respect to the performance of a professional services engagement. For purposes of this definition, partner may include an employee with this authority who has not assumed the risks and benefits of ownership. Firms might use different titles to refer to individuals with this authority.

Personnel. Partners and staff in the firm.

Practitioner. The person or persons conducting the attestation engagement, usually the engagement partner or other members of the engagement team, or, as applicable, the firm. When an AT-C section expressly intends that a requirement or responsibility be fulfilled by the engagement partner, the term *engagement partner*, rather than *practitioner*, is used. *Engagement partner* and *firm* are to be read as referring to their governmental equivalents when relevant.

Practitioner's specialist. An individual or organization possessing expertise in a field other than accounting or attestation, whose work in that field is used by the practitioner to assist the practitioner in obtaining evidence for the service being provided. A practitioner's specialist may be either a practitioner's internal specialist (who is a partner or staff, including temporary staff, of the practitioner's firm or a network firm) or a practitioner's external specialist. *Partner* and *firm* refer to their governmental equivalents when relevant.

Professional judgment. The application of relevant training, knowledge, and experience, within the context provided by attestation and ethical standards in making informed decisions about the courses of action that are appropriate in the circumstances of the attestation engagement.

Professional skepticism. An attitude that includes a questioning mind, being alert to conditions that may indicate possible misstatement due to fraud or error, and a critical assessment of evidence.

Professional standards. [Standards promulgated by the AICPA Auditing Standards Board or the AICPA Accounting and Review Services Committee under the “General Standards Rule” \(ET sec. 1.300.001\) or the “Compliance With Standards Rule” \(ET sec. 1.310.001\) of the AICPA code, or by other standard-setting bodies that set auditing and attest standards applicable to the engagement being performed and relevant ethical requirements.](#)

Reasonable assurance. A high, but not absolute, level of assurance.

Relevant ethical requirements. [Principles of professional ethics and ethical requirements to which the engagement team and engagement quality reviewer are subject, which consist of the AICPA code together with rules of applicable state boards of accountancy and applicable regulatory agencies that are more restrictive.](#)

Report release date. The date on which the practitioner grants the engaging party permission to use the practitioner’s report.

Response (in relation to a system of quality management). [Policies or procedures designed and implemented by the firm to address one or more quality risks.](#)

- [Policies are statements of what should, or should not, be done to address a quality risk or risks. Such statements may be documented, explicitly stated in communications, or implied through actions and decisions.](#)
- [Procedures are actions to implement policies.](#)

Responsible party. The party responsible for the underlying subject matter, which is a party other than the practitioner. In an assertion-based examination or review engagement, if the nature of the underlying subject matter is such that no such party exists, a party who has a reasonable basis for making a written assertion about the underlying subject matter may be deemed to be the responsible party.

Specified party. The intended user(s) to whom use of the written practitioner’s report is limited.

Staff. [Professionals, other than partners, including any specialist the firm employs.](#)

Subject matter information. The outcome of the measurement or evaluation of the underlying subject matter against criteria. An assertion about whether the underlying subject matter is in accordance with the criteria is a form of subject matter information.

Underlying subject matter.^{fn*} In an examination or review engagement, the phenomenon that is measured or evaluated by applying criteria. In an agreed-upon procedures engagement, the phenomenon upon which procedures are performed.

.13 For the purposes of the attestation standards, references to appropriate party should be read hereafter as the responsible party or the engaging party, as appropriate. (Ref: par. [.A18](#), [A21](#))

Requirements

Conduct of an Attestation Engagement in Accordance With the Attestation Standards

Complying With AT-C Sections That Are Relevant to the Engagement

.14 When performing an attestation engagement, the practitioner should comply with

- this section;
- sections 205, 206, 210, or 215, as applicable; and
- any subject-matter AT-C section relevant to the engagement when the AT-C section is in effect and the circumstances addressed by the AT-C section exist.

.15 The practitioner should not represent compliance with this or any other AT-C section unless the practitioner has complied with the requirements of this section and all other AT-C sections relevant to the engagement.

.16 Reports issued by a practitioner in connection with services performed under other professional standards should be written to be clearly distinguishable from and not confused with reports issued under the attestation standards. (Ref: par. [.A19](#)[A22](#)-[A20](#)[A23](#))

Text of an AT-C Section

.17 The practitioner should have an understanding of the entire text of each AT-C section that is relevant to the engagement being performed, including its application and other explanatory material, to understand its objectives and apply its requirements properly. (Ref: par. [.A21](#)[A24](#)-[A26](#)[A29](#))

^{fn*} Prior to the issuance of SSAE No. 21, "the phenomenon that is measured or evaluated by applying criteria" was the definition of *subject matter*.

Complying With Relevant Requirements

.18 Subject to paragraph .22, the practitioner should comply with each requirement of the AT-C sections that is relevant to the engagement being performed, including any relevant subject-matter AT-C section, unless, in the circumstances of the engagement,

- a. the entire AT-C section is not relevant, or
- b. the requirement is not relevant because it is conditional, and the condition does not exist.

.19 When a practitioner undertakes an attestation engagement for the benefit of a government body or agency and agrees to follow specified government standards, guides, procedures, statutes, rules, and regulations, the practitioner should comply with those governmental requirements as well as the applicable AT-C sections. (Ref: par. [.A27A30](#))

Practitioner's Report Prescribed by Law or Regulation

.20 If the practitioner is required by law or regulation to use a specific layout, form, or wording of the practitioner's report and the prescribed form of report is not acceptable or would cause a practitioner to make a statement that the practitioner has no basis to make, the practitioner should reword the prescribed form of report or attach an appropriately worded separate practitioner's report. (Ref: par. [.A28A31](#))

Defining Professional Requirements in the Attestation Standards

.21 The attestation standards use the following two categories of professional requirements, identified by specific terms, to describe the degree of responsibility it imposes on practitioners:

- *Unconditional requirements.* The practitioner must comply with an unconditional requirement in all cases in which such requirement is relevant. The attestation standards use the word *must* to indicate an unconditional requirement.
- *Presumptively mandatory requirements.* The practitioner must comply with a presumptively mandatory requirement in all cases in which such a requirement is relevant, except in rare circumstances discussed in paragraph .22. The attestation standards use the word *should* to indicate a presumptively mandatory requirement.

Departure From a Relevant Requirement

.22 In rare circumstances, the practitioner may judge it necessary to depart from a relevant presumptively mandatory requirement. In such circumstances, the practitioner should perform alternative procedures to achieve the intent of that requirement. The need for the practitioner to depart from a relevant, presumptively mandatory requirement is expected to arise only when the requirement is for a specific procedure to be performed and, in the specific circumstances of the engagement, that procedure would be ineffective in achieving the intent of the requirement. (Ref: par. [.A29A32](#))

Interpretive Publications

.23 The practitioner should consider applicable interpretive publications in planning and performing the attestation engagement. (Ref: par. [.A30A33](#))

Other Attestation Publications

.24 In applying the attestation guidance included in an other attestation publication, the practitioner should, exercising professional judgment, assess the relevance and appropriateness of such guidance to the circumstances of the attestation engagement. (Ref: par. [.A31A34](#)-.[A33A36](#))

Acceptance and Continuance

.25 The engagement partner should ~~be satisfied that appropriate procedures regarding~~determine that the firm's policies or procedures for the acceptance and continuance of client relationships and attestation engagements have been followed and ~~should determine~~ that conclusions reached in this regard are appropriate. (Ref: par. [.A37](#)-.[A38](#))

.26 The engagement partner should take into account information obtained in the acceptance and continuance process in planning and performing the attestation engagement in accordance with the attestation standards and complying with the requirements of this section. (Ref: par. [.A39](#))

.27 If the engagement team becomes aware of information that may have caused the firm to decline the attestation engagement had that information been known by the firm prior to accepting or continuing the client relationship or specific engagement, the engagement partner should communicate that information promptly to the firm so that the firm and the engagement partner can take the necessary action.

Preconditions for an Attestation Engagement

.2628 The practitioner must be independent when performing an attestation engagement in accordance with the attestation standards unless the practitioner is required by law or regulation to accept the engagement. (Ref: par. [.A34A40](#))

.2729 In order to establish that the preconditions for an attestation engagement are present, the practitioner should, on the basis of a preliminary knowledge of the engagement circumstances and discussion with the appropriate party, determine the following:

- a. Whether the responsible party is a party other than the practitioner and takes responsibility for the underlying subject matter. (Ref: par. [.A35A41](#)-.[A37A43](#))
- b. Whether the engagement exhibits all of the following characteristics:
 - i. The underlying subject matter is appropriate. (Ref: par. [.A38A44](#)-.[A43A49](#))

- ii. In an examination or review engagement, the criteria to be applied in the preparation and evaluation of the underlying subject matter are suitable and will be available to the intended users. (Ref: par. [.A44A50](#)–[.A54A60](#))
- iii. The practitioner expects to be able to obtain the evidence needed to arrive at the practitioner’s opinion, conclusion, or findings, including (Ref: par. [.A55A61](#)–[.A56A62](#))
 - (1) access to all information of which the appropriate party is aware that is relevant to the engagement;
 - (2) access to additional information that the practitioner may request from the appropriate party for the purpose of the engagement; and
 - (3) unrestricted access to persons within the appropriate party from whom the practitioner determines it necessary to obtain evidence.
- iv. The practitioner’s opinion, conclusion, or findings, in the form appropriate to the engagement, is to be contained in a written practitioner’s report.

[.2830](#) If the preconditions in paragraphs [.2628](#)–[.2729](#) are not present, the practitioner should discuss the matter with the engaging party to attempt to resolve the issue.

[.2931](#) The practitioner should accept an attestation engagement only when the practitioner

- a. has no reason to believe that relevant ethical requirements, including independence, will not be satisfied;
- b. is satisfied that those persons who are to perform the engagement collectively have the appropriate competence and capabilities (see also paragraph [.3435](#));
- c. has determined that the engagement to be performed meets all the preconditions for an attestation engagement (see also paragraphs [.2628](#)–[.2729](#)); and
- d. has reached a common understanding with the engaging party of the terms of the engagement, including the practitioner’s reporting responsibilities.

[.3032](#) If it is discovered after the engagement has been accepted that one or more of the preconditions for an attestation engagement is not present, the practitioner should discuss the matter with the appropriate party and should determine

- a. whether the matter can be resolved;
- b. whether it is appropriate to continue with the engagement; and

- c. if the matter cannot be resolved but it is still appropriate to continue with the engagement, whether to communicate the matter in the practitioner's report, and if the matter is to be communicated in the practitioner's report, how to do so.

Acceptance of a Change in the Terms of the Engagement

- ~~.3133~~ The practitioner should not agree to a change in the terms of the engagement when no reasonable justification for doing so exists. If a change in the terms of the engagement is made, the practitioner should not disregard evidence that was obtained prior to the change. (Ref: par. ~~.A57A63-.A58A64~~)
- ~~.3234~~ If the practitioner concludes, based on the practitioner's professional judgment, that there is reasonable justification to change the terms of the engagement from the original level of service that the practitioner was engaged to perform to a lower level of service, for example, from an examination to a review, and if the practitioner complies with the AT-C sections applicable to the lower level of service, the practitioner should issue an appropriate practitioner's report on the lower level of service. The report should not include reference to (a) the original engagement, (b) any procedures that may have been performed, or (c) scope limitations that resulted in the changed engagement.

Using the Work of an Other Practitioner

- ~~.33~~ When the practitioner expects to use the work of an other practitioner, the practitioner should (Ref: par. ~~.A59-.A60~~)
- ~~a.— obtain an understanding of whether the other practitioner understands and will comply with the ethical requirements that are relevant to the engagement and, in particular, is independent.~~
 - ~~b.— obtain an understanding of the other practitioner's professional competence.~~
 - ~~c.— communicate clearly with the other practitioner about the scope and timing of the other practitioner's work and findings.~~
 - ~~d.— if assuming responsibility for the work of the other practitioner, be involved in the work of the other practitioner.~~
 - ~~e.— evaluate whether the other practitioner's work is adequate for the practitioner's purposes.~~
 - ~~f.— determine whether to make reference to the other practitioner in the practitioner's report.~~

Quality ~~Control~~Management

~~Assignment of the Engagement Team and the Practitioner's Specialists~~Engagement Resources

- ~~.3435~~ The engagement partner should ~~be satisfied~~determine that

- a. sufficient and appropriate resources to perform the engagement are assigned or made available to the engagement team in a timely manner, taking into account the nature and circumstances of the engagement, the firm's policies or procedures, and any changes that may arise during the engagement. (Ref: par. .A65–.A66)
- ~~b. members of the engagement team, and any practitioner's external specialists and internal auditors who provide direct assistance who are not part of the engagement team, collectively, have the appropriate competence, including knowledge of the underlying subject matter and criteria, and capabilities, including sufficient time to perform the engagement. (Ref: par. .A64A67–.A62A70)~~
- ~~i. perform the engagement in accordance with professional standards and applicable legal and regulatory requirements and~~
 - ~~ii. enable the issuance of a practitioner's report that is appropriate in the circumstances.~~
- c. the nature, timing, and extent of direction, supervision, and review are
- i. planned and performed in accordance with the firm's policies or procedures, professional standards, and applicable legal and regulatory requirements, and
 - ii. responsive to the nature and circumstances of the attestation engagement and the resources assigned or made available to the engagement team by the firm
- d. With respect to consultation:
- i. members of the engagement team have undertaken appropriate consultation on the matters specified in paragraph .40c during the engagement, both within the engagement team and between the engagement team and others at the appropriate level within or outside the firm.
 - ii. the nature and scope of, and conclusions resulting from, such consultations are agreed with the party consulted.
 - iii. conclusions agreed have been implemented.
- ~~b. to an extent that is sufficient to accept responsibility for the opinion, conclusion, or findings on the underlying subject matter or subject matter information (or assertion), the engagement team will be able to be involved in the work of~~
- ~~i. a practitioner's external specialist when the work of that specialist is to be used and (Ref: par. .A63)~~
 - ~~ii. an other practitioner, when the work of that practitioner is to be used.~~

eg. those involved in the engagement have been informed of their responsibilities, including the objectives of the procedures they are to perform and matters that may affect the nature, timing, and extent of such procedures.

df. engagement team members have been directed to bring to the engagement partner's attention significant questions raised during the engagement so that their significance may be assessed.

.36 When the practitioner expects an other practitioner will perform attestation procedures in connection with the engagement, the practitioner should (Ref: par. .A71–.A73)

a. confirm whether the other practitioner understands and will comply with the relevant ethical requirements, including those related to independence, that apply to the engagement.

b. determine that the other practitioner has appropriate professional competence and capabilities.

c. if the other practitioner is not part of the practitioner's firm, determine whether to make reference to the other practitioner in the practitioner's report

d. if the practitioner determines to not make reference to the other practitioner in the practitioner's report (Ref: par. .A74)

i. communicate clearly with the other practitioner about the other practitioner's responsibilities and the practitioner's expectations, including the scope and timing of the other practitioner's work and the matters expected to be communicated by the other practitioner that are relevant to the practitioner in forming the practitioner's opinion or conclusion or in presenting findings.

ii. determine that the other practitioner has sufficient time to perform assigned work.

iii. be sufficiently and appropriately involved, through direction, supervision, and review, in the work of the other practitioner.

iv. evaluate whether the other practitioner's work is adequate for the practitioner's purposes.

.37 If, as a result of complying with the requirements in paragraphs .35a–b, the engagement partner determines that resources assigned or made available are insufficient or inappropriate in the circumstances of the attestation engagement, the engagement partner should take appropriate action, including communicating with appropriate individuals about the need to assign or make available additional or alternative resources to the engagement. (Ref: par. A75–.A76)

.38 The engagement partner should take responsibility for using the resources assigned or made available to the engagement team appropriately, given the nature and circumstances of the attestation engagement. (Ref: par. .A77)

Leadership Responsibilities for Managing and Quality ~~in-on~~ Attestation Engagements

.39 The engagement partner should have the appropriate competence, sufficient to accept responsibility for the conclusions reached on the engagement. (Ref: par. .A78–.A80)

.3540 The engagement partner should take responsibility for ~~the overall quality on each attestation engagement. This includes responsibility for~~ the following: (Ref: par. .A77 and .A81)

- a. ~~The overall management and achievement of quality on the attestation engagement, including taking responsibility for creating an environment for the engagement that emphasizes the firm’s culture and expected behavior of engagement team members. In doing so, the engagement partner should be sufficiently and appropriately involved throughout the engagement such that the engagement partner has the basis for determining whether the significant judgments made, and the conclusions reached, are appropriate given the nature and circumstances of the engagement. If the engagement partner assigns the design or performance of procedures, tasks, or actions related to a requirement of this section to other members of the engagement team to assist the engagement partner in complying with the requirements of this section, the engagement partner should continue to take overall responsibility for managing and achieving quality on the attestation engagement through direction and supervision of those members of the engagement team and review of their work. Appropriate procedures being performed regarding the acceptance and continuance of client relationships and engagements~~
- b. ~~The engagement being planned and performed (including appropriate direction and supervision) to comply with professional standards and applicable legal and regulatory requirements. The direction and supervision of members of the engagement team and the review of their work.~~
- c. ~~Reviews being performed in accordance with the firm’s review policies and procedures and reviewing the engagement documentation on or before the date of the practitioner’s report (Ref: par. .A64). The engagement team undertaking consultation on (Ref: par. .A82)~~
 - (i) difficult or contentious matters and matters on which the firm’s policies or procedures require consultation and
 - (ii) other matters that, in the engagement partner’s professional judgment, require consultation.
- d. Appropriate engagement documentation being maintained to provide evidence of achievement of the practitioner’s objectives and that the engagement was performed in accordance with the attestation standards and relevant legal and regulatory requirements
- e. ~~Appropriate consultation being undertaken by the engagement team on difficult or contentious matters~~

.41 In creating the environment described in paragraph 40a, the engagement partner should take responsibility for clear, consistent, and effective actions being taken that reflect the firm's commitment to quality and establish and communicate the expected behavior of engagement team members, including emphasizing the following:

- a. That all engagement team members are responsible for contributing to the management and achievement of quality at the engagement level
- b. The importance of professional ethics, values, and attitudes to the members of the engagement team
- c. The importance of open and robust communication within the engagement team and supporting the ability of engagement team members to raise concerns without fear of reprisal
- d. The importance of each engagement team member maintaining professional skepticism throughout the engagement

.42 In an examination or review engagement, the engagement partner should review engagement documentation at appropriate points in time during the engagement, including documentation relating to

- a. significant matters;
- b. significant judgments, including those relating to difficult or contentious matters identified during the engagement, and the conclusions reached; and
- c. other matters that, in the engagement partner's professional judgment, are relevant to the engagement partner's responsibilities.

.43 On or before the date of the practitioner's report, the engagement partner should determine, through review of engagement documentation and discussion with the engagement team, that sufficient appropriate evidence has been obtained to support the conclusions reached in an examination or review engagement or findings in an agreed-upon procedures engagement and for the practitioner's report to be issued.

.44 Prior to dating the practitioner's report, the engagement partner should review the subject matter information and the practitioner's report to determine that the report to be issued will be appropriate in the circumstances.

.45 The engagement partner should review, prior to their issuance, formal written communications to management, those charged with governance, or regulatory authorities. (Ref: par. .A83)

Differences of Opinion

.46 If differences of opinion arise within the engagement team, or between the engagement team and the engagement quality reviewer or individuals performing activities within the firm's system of quality management,

including those who provide consultation, the engagement team should follow the firm's policies or procedures for dealing with and resolving such differences of opinion.

.47 The engagement partner should

- a. take responsibility for differences of opinion being addressed and resolved in accordance with the firm's policies or procedures.
- b. determine that conclusions reached are documented and implemented.
- c. not date the practitioner's report until any differences of opinion are resolved.

Compliance With Relevant Ethical Requirements

.3648 The engagement partner should have an understanding of the relevant ethical requirements, including those related to independence, that are applicable given the nature and circumstances of the attestation engagement. (Ref: par. .A84 and .A88) Throughout the engagement, the engagement partner should remain alert, through observation and making inquiries as necessary, for evidence of noncompliance with relevant ethical requirements by members of the engagement team. If matters come to the engagement partner's attention through the firm's system of quality control or otherwise that indicate that members of the engagement team have not complied with relevant ethical requirements, the engagement partner, in consultation with others in the firm, should determine the appropriate action.

.49 The engagement partner should take responsibility for other members of the engagement team having been made aware of relevant ethical requirements that are applicable given the nature and circumstances of the attestation engagement, and the firm's related policies or procedures, including those that address the following: (Ref: par. .A77 and .A85-.A86)

- a. Identifying, evaluating, and addressing threats to compliance with relevant ethical requirements, including those related to independence
- b. Circumstances that may cause a breach of relevant ethical requirements, including those related to independence, and the responsibilities of members of the engagement team when they become aware of breaches
- c. The responsibilities of members of the engagement team when they become aware of an instance of noncompliance with laws and regulations by the entity

.50 If matters come to the engagement partner's attention that indicate that a threat to compliance with relevant ethical requirements exists, the engagement partner should evaluate the threats by complying with the firm's policies or procedures, using relevant information from the firm, the engagement team, or other sources, and take appropriate action.

.51 The engagement partner should remain alert throughout the attestation engagement, through observation and making inquiries as necessary, for breaches of relevant ethical requirements or the firm's related policies or procedures by members of the engagement team.

.52 If matters come to the engagement partner's attention through the firm's system of quality management, or from other sources, that indicate that relevant ethical requirements applicable to the nature and circumstances of the engagement have not been fulfilled, the engagement partner, in consultation with others in the firm, should take appropriate action. (Ref: par. .A87)

.53 Prior to dating the practitioner's report, the engagement partner should take responsibility for determining whether relevant ethical requirements, including those related to independence, have been fulfilled. (Ref: par. .A77)

Monitoring and Remediation

.54 The engagement partner should take responsibility for the following: (Ref: par. .A77 and .A89)

- a. Obtaining an understanding of the information from the firm's monitoring and remediation process, as communicated by the firm, including, as applicable, the information from the monitoring and remediation process of the network and across the network firms
- b. Determining the relevance and effect on the attestation engagement of the information referred to in paragraph 54a and taking appropriate action
- c. Remaining alert throughout the attestation engagement for information that may be relevant to the firm's monitoring and remediation process and communicating such information to those responsible for the process

Taking Overall Responsibility for Managing and Achieving Quality

.55 Prior to dating the report, the engagement partner should determine that the attestation engagement partner has taken overall responsibility for managing and achieving quality on the engagement. In doing so, the engagement partner should determine that

- a. the engagement partner's involvement has been sufficient and appropriate throughout the attestation engagement such that the engagement partner has the basis for determining that the significant judgments made and the conclusions reached are appropriate given the nature and circumstances of the engagement.
- b. the nature and circumstances of the attestation engagement, any changes thereto, and the firm's related policies or procedures have been taken into account in complying with the requirements of this section.

Engagement Documentation

- [.3756](#) The practitioner should prepare engagement documentation on a timely basis. (Ref: par. [.A65A90](#))
- [.3857](#) The practitioner should assemble the engagement documentation in an engagement file and complete the administrative process of assembling the final engagement file no later than 60 days following the practitioner's report release date. (Ref: par. [.A66A91](#))
- [.3958](#) After the documentation completion date, the practitioner should not delete or discard documentation of any nature before the end of its retention period.
- [.4059](#) If the practitioner finds it necessary to amend existing engagement documentation or add new engagement documentation after the documentation completion date, the practitioner should, regardless of the nature of the amendments or additions, document
- a.* the specific reasons for making the amendments or additions and
 - b.* when, and by whom, they were made and reviewed.
- [.4160](#) Engagement documentation is the property of the practitioner, and some jurisdictions recognize this right of ownership in their statutes. The practitioner should adopt reasonable procedures to retain engagement documentation for a period of time sufficient to meet the needs of the practitioner and to satisfy any applicable legal or regulatory requirements for records retention.
- [.4261](#) Because engagement documentation often contains confidential information, the practitioner should adopt reasonable procedures to maintain the confidentiality of that information.
- [.4362](#) The practitioner also should adopt reasonable procedures to prevent unauthorized access to engagement documentation.
- [.4463](#) If, in rare circumstances, the practitioner judges it necessary to depart from a relevant, presumptively mandatory requirement, the practitioner must document the justification for the departure and how the alternative procedures performed in the circumstances were sufficient to achieve the intent of that requirement. (See paragraph [.2022](#).)

Engagement Quality ~~Control~~ Review

- [.4564](#) For those attestation engagements, ~~if any,~~ for which ~~the firm has determined that~~ an engagement quality ~~control~~-review is required, the engagement partner should (Ref: par. [.A67A92](#))
- a.* determine that an engagement quality reviewer has been appointed.
 - b.* cooperate with the engagement quality reviewer and inform other members of the engagement team of their responsibility to do so.

- ~~c. the engagement partner should take responsibility for discussing with the engagement quality control reviewer significant matters and significant judgments findings or issues arising during the attestation engagement, including those identified during the engagement quality control review, with the engagement quality reviewer, and should not release the practitioner's report until completion of the engagement quality control review and~~
- ~~b. the engagement quality control reviewer should perform an objective evaluation of the significant judgments made by the engagement team and the conclusions reached in formulating the report. This evaluation should include the following:~~
- ~~i. Discussion of significant findings or issues with the engagement partner~~
 - ~~ii. Reading the written subject matter information (or assertion) and the proposed report~~
 - ~~iii. Reading selected engagement documentation relating to the significant judgments the engagement team made and the related conclusions it reached~~
 - ~~iv. Evaluation of the decisions reached in formulating the report and consideration of whether the proposed report is appropriate~~
- ~~d. not release the practitioner's report until completion of the engagement quality review.~~

Professional Skepticism and Professional Judgment

Professional Skepticism

- .4665** The practitioner should maintain professional skepticism while planning and performing an attestation engagement. (Ref: par. ~~.A68A93-.A70A95~~)
- .4766** Unless the practitioner has reason to believe the contrary, the practitioner may accept records and documents as genuine. If conditions identified during the attestation engagement cause the practitioner to believe that a document may not be authentic or that terms in a document have been modified but not disclosed to the practitioner, the practitioner should investigate further.

Professional Judgment

- .4867** The practitioner should exercise professional judgment in planning and performing an attestation engagement. (Ref: par. ~~.A71A96-.A76A101~~)

Application and Other Explanatory Material

Introduction (Ref: par. .01 and .05)

- .A1**An attestation engagement may address a variety of conditions or events, including the following:

- a. Historical or prospective performance or condition, for example, historical or prospective financial information, performance measurements, and backlog data
- b. Physical characteristics, for example, narrative descriptions or square footage of facilities
- c. Historical events, for example, the price of a market basket of goods on a certain date
- d. Analyses, for example, break-even analyses
- e. Systems and processes, for example, internal control
- f. Behavior, for example, corporate governance, compliance with laws and regulations, and human resource practices
- g. Environmental, social, and governance information, for example, greenhouse gas emissions or diversity in employment

The measurement or evaluation of such conditions or events may be as of a point in time or for a period of time.

.A2Because performance audits performed pursuant to *Government Auditing Standards* do not require a practitioner's examination, review, or agreed-upon procedures report as described in this section, this section does not apply to performance audits unless the practitioner engaged to conduct a performance audit is also engaged to conduct an AICPA attestation engagement or issues such an examination, review, or agreed-upon procedures report.

.A3Examples of litigation services include the following circumstances:

- a. The service comprises being an expert witness.
- b. The service comprises being a trier of fact or acting on behalf of one.
- c. The practitioner's work under the rules of the proceedings is subject to detailed analysis and challenge by each party to the dispute.
- d. The practitioner is engaged by an attorney to do work that will be protected by the attorney's work product or attorney-client privilege, and such work is not intended to be used for other purposes.

Relationship of Attestation Standards to Quality ~~Control~~-Management Standards (Ref: par. .0608)

.A4The nature and extent of a firm's quality ~~control~~-management policies and procedures depend on factors such as its size, the degree of operating autonomy allowed its personnel and its practice offices, the nature of its practice, its organization, and appropriate cost-benefit considerations.

.A5 Within the context of the firm's system of quality ~~control~~management, engagement teams have a responsibility to implement quality ~~control~~management procedures that are applicable to the attestation engagement and provide the firm with relevant information to enable the functioning of that part of the firm's quality ~~control~~management relating to independence.

.A6 Engagement teams are entitled to rely on the firm's system of quality ~~control~~management, unless the engagement partner determines that it is inappropriate to do so based on information provided by the firm or other parties.

Definitions

Assertion-Based and Direct Examination Engagements (Ref: par. .12)

.A7 The practitioner obtains the same level of assurance in an assertion-based and direct examination engagement as the practitioner does in a financial statement audit.

Review Engagement (Ref: par. .12)

.A8 The practitioner obtains the same level of assurance in a review engagement as the practitioner does in a review of financial statements.

Attestation Risk (Ref: par. .12)

.A9 Attestation risk does not refer to the practitioner's business risks, such as loss from litigation, adverse publicity, or other events arising in connection with the underlying subject matter or subject matter information (or assertion) reported on.

.A10 In general, attestation risk can be represented by the following components, although not all of these components will necessarily be present or significant for all engagements:

- a. Risks that the practitioner does not directly influence, which consist of
 - i. the susceptibility of the subject matter information to a material misstatement before consideration of any related controls (inherent risk) and
 - ii. the risk that a material misstatement that could occur in the subject matter information will not be prevented, or detected and corrected, on a timely basis by the appropriate party's internal control (control risk)
- b. Risk that the practitioner does directly influence, which consists of the risk that the procedures to be performed by the practitioner will not detect a material misstatement (detection risk)

.A11 The degree to which each of these components of attestation risk is relevant to the engagement is affected by the engagement circumstances, in particular

- the nature of the underlying subject matter or subject matter information. (For example, the concept of control risk may be more useful when the underlying subject matter or subject matter information relates to the preparation of information about an entity's performance than when it relates to information about the existence of a physical condition.)
- the type of engagement being performed. (For example, in a review engagement, the practitioner may often decide to obtain evidence by means other than tests of controls, in which case, consideration of control risk may be less relevant than in an examination engagement on the same subject matter information [or assertion.])

.A12 The consideration of risks is a matter of professional judgment, rather than a matter capable of precise measurement.

.A13 In an examination engagement, the practitioner reduces attestation risk to an acceptably low level in the circumstances of the engagement as the basis for the practitioner's opinion. Reducing attestation risk to zero is not contemplated in an examination engagement and, therefore, reasonable assurance is less than absolute assurance as a result of factors such as the following:

- The use of selective testing
- The inherent limitations of internal control
- The fact that much of the evidence available to the practitioner is persuasive, rather than conclusive
- The exercise of professional judgment in gathering and evaluating evidence and forming conclusions based on that evidence
- In some cases, the characteristics of the underlying subject matter when evaluated or measured against the criteria

.A14 In a review engagement, attestation risk is greater than it is in an examination engagement. Because the practitioner obtains limited assurance in a review engagement, the types of procedures performed are less extensive than they are in an examination engagement and generally are limited to inquiries and analytical procedures.

.A15 Attestation risk is not applicable to an agreed-upon procedures engagement because in such engagements, the practitioner performs specific procedures on underlying subject matter or subject matter information and reports the findings without providing an opinion or conclusion.

Criteria (Ref: par. .12)

.A16 Suitable criteria are required for reasonably consistent measurement or evaluation of underlying subject matter within the context of professional judgment. Without the frame of reference provided by suitable

criteria, any conclusion is open to individual interpretation and misunderstanding. The suitability of criteria is context-sensitive, that is, it is determined in the context of the engagement circumstances. Even for the same underlying subject matter, there can be different criteria, which will yield a different measurement or evaluation. For example, one responsible party might select the number of customer complaints resolved to the acknowledged satisfaction of the customer for the underlying subject matter of customer satisfaction; another responsible party might select the number of repeat purchases in the three months following the initial purchase. The suitability of criteria is not affected by the level of assurance, that is, if criteria are unsuitable for an examination engagement, they are also unsuitable for a review engagement and vice versa.

Engagement Partner (Ref: par. .12)

.A17 Practitioners are subject to Appendix B to the AICPA Code of Professional Conduct, “Council Resolution Concerning the Form of Organization and Name Rule,” which states that there must be a CPA who has ultimate responsibility for all engagements performed in accordance with SSAEs, and non-CPA owners could not assume ultimate responsibility for any such engagements. Law or regulation may include additional requirements.

Engagement Team (Ref: par. .12)

.A18 If the attestation engagement is subject to an engagement quality review, the engagement quality reviewer, and any other individuals performing the engagement quality review, are not members of the engagement team. Such individuals may be subject to specific independence requirements.

Engaging Party (Ref: par. .12)

.A17A19 The engaging party, depending on the circumstances, may be management or those charged with governance of the responsible party, a governmental body or agency, the intended users, or another third party.

Firm, Network, and Network Firm (Ref: par. .12)

.A20 The definitions of firm, network, or network firm in relevant ethical requirements may differ from those set out in this section. The AICPA code also provides guidance in relation to the terms network and network firm. Networks and other network firms may be structured in a variety of ways and are, in all cases, external to the firm. The provisions in this section in relation to networks also apply to any structures or organizations that do not form part of the firm but that exist within the network.

Appropriate Party(ies) (Ref: par. .13)

.A18A21 Management and governance structures vary by entity, reflecting influences such as size and ownership characteristics. Such diversity means that it is not possible for the attestation standards to specify

for all engagements the person(s) with whom the practitioner is to interact regarding particular matters. For example, an entity may be a segment of an organization and not a separate legal entity. In such cases, identifying the appropriate management personnel or those charged with governance with whom to communicate may require the exercise of professional judgment.

Conduct of an Attestation Engagement in Accordance With the Attestation Standards

Complying With AT-C Sections That Are Relevant to the Engagement (Ref: par. .16)

[.A19A22](#) A practitioner's report that merely excludes the phrase "was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants" but is otherwise similar to a practitioner's examination, review, or agreed-upon procedures attestation report is an example of a practitioner's report that is not clearly distinguishable from, and could be confused with, a report issued under the attestation standards.

[.A20A23](#) Paragraph .16 does not prohibit combining reports issued by a practitioner under the attestation standards with reports issued under other professional standards.

Text of an AT-C Section (Ref: par. .17)

[.A21A24](#) The AT-C sections contain the objectives of the practitioner and requirements designed to enable the practitioner to meet those objectives. In addition, they contain related guidance in the form of application and other explanatory material, introductory material that provides context relevant to a proper understanding of the section, and definitions.

[.A22A25](#) Introductory material may include, as needed, such matters as an explanation of the following:

- The purpose and scope of the AT-C section, including how the AT-C section relates to other AT-C sections
- The subject matter of the AT-C section
- The respective responsibilities of the practitioner and others regarding the subject matter of the AT-C section
- The context in which the AT-C section is set

[.A23A26](#) The application and other explanatory material provides further explanation of the requirements of an AT-C section and guidance for carrying them out. In particular, it may

- a. explain more precisely what a requirement means or is intended to cover and
- b. include examples of procedures that may be appropriate in the circumstances.

Although such guidance does not, in itself, impose a requirement, it may explain the proper application of the requirements of an AT-C section. The application and other explanatory material may also provide background information on matters addressed in an AT-C section. They do not, however, limit or reduce the responsibility of the practitioner to apply and comply with the requirements in applicable AT-C sections.

.A24A27 The practitioner is required by paragraph .17 to understand the application and other explanatory material. How the practitioner applies the guidance in the engagement depends on the exercise of professional judgment in the circumstances consistent with the objective of the section. The words *may*, *might*, and *could* are used to describe these actions and procedures.

.A25A28 An AT-C section may include, in a separate section under the heading “Definition(s),” a description of the meanings attributed to certain terms for purposes of the AT-C section. These are provided to assist in the consistent application and interpretation of the AT-C section and are not intended to override definitions that may be established for other purposes, whether in law, regulation, or otherwise. Unless otherwise indicated, those terms will carry the same meanings in all AT-C sections.

.A26A29 Appendixes form part of the application and other explanatory material. The purpose and intended use of an appendix are explained in the body of the related AT-C section or within the title and introduction of the appendix itself.

Complying With Relevant Requirements (Ref: par. .19)

.A27A30 In certain attestation engagements, the practitioner may also be required to comply with other requirements, such as in law or regulation, in addition to the attestation standards. The attestation standards do not override law or regulation that governs the attestation engagement. In the event that such law or regulation differs from attestation standards, an attestation engagement conducted only in accordance with law or regulation will not necessarily comply with the attestation standards.

Practitioner’s Report Prescribed by Law or Regulation (Ref: par. 20)

.A28A31 Some report forms can be made acceptable by inserting additional wording to include the elements required by sections 205, 206, 210, and 215.^{fn 6} Some report forms required by law or regulation can be made acceptable only by complete revision because the prescribed language of the practitioner’s report calls for statements by the practitioner that are not consistent with the practitioner’s function or

^{fn 6} Paragraphs .63–.66 of section 205, paragraphs .46–.49 of section 210, and paragraph .32–.33 of section 215, *Agreed-Upon Procedures Engagements*.

responsibility, for example, a report form that requests the practitioner to “certify” the subject matter information.

Departure From a Relevant Requirement (Ref: par. 22)

.A29A32 Paragraph .44-63 prescribes documentation requirements when the circumstances described in paragraph .22 occur.

Interpretive Publications (Ref: par. .23)

.A30A33 *Interpretive publications* are not attestation standards. Interpretive publications are recommendations on the application of the attestation standards in specific circumstances, including engagements for entities in specialized industries. An interpretive publication is issued under the authority of the relevant senior technical committee after all members of the committee have been provided an opportunity to consider and comment on whether the proposed interpretive publication is consistent with the attestation standards.

Other Attestation Publications (Ref: par. .24)

.A31A34 Other attestation publications have no authoritative status; however, they may help the practitioner understand and apply the attestation standards. The practitioner is not expected to be aware of the full body of other attestation publications.

.A32A35 Although the practitioner determines the relevance of these publications in accordance with paragraph .24, the practitioner may presume that other attestation publications published by the AICPA that have been reviewed by the AICPA Audit and Attest Standards staff are appropriate. These other attestation publications are listed in AT-C appendix B, “Other Attestation Publications.”

.A33A36 In determining whether an other attestation publication that has not been reviewed by the AICPA Audit and Attest Standards staff is appropriate to the circumstances of the attestation engagement, the practitioner may wish to consider the degree to which the publication is recognized as being helpful in understanding and applying the attestation standards and the degree to which the publisher or author is recognized as an authority in attestation matters.

Acceptance and Continuance (Ref: par. .25–26)

.A37 Under QM section 10, for acceptance and continuance decisions, the firm is required to make judgments about the firm’s ability to perform the engagement in accordance with professional standards and applicable legal and regulatory requirements. The engagement partner may use the information considered by the firm in this regard in determining whether the conclusions reached regarding the acceptance and continuance of client relationships and attestation engagements are appropriate. If the engagement partner has concerns regarding the appropriateness of the conclusions reached, the engagement partner may discuss the basis for those conclusions with those involved in the acceptance and continuance process.

.A38 If the engagement partner is directly involved throughout the firm's acceptance and continuance process, the engagement partner will be aware of the information obtained or used by the firm in reaching the related conclusions. Such direct involvement may also provide a basis for the engagement partner's determination that the firm's policies or procedures have been followed and that the conclusions reached are appropriate.

.A39 In circumstances in which the firm is obligated by law or regulation to accept or continue an attestation engagement, the engagement partner may take into account information obtained by the firm about the nature and circumstances of the engagement.

Preconditions for an Attestation Engagement (Ref: par. .2628)

.A34A40 The "Independence Standards for Engagements Performed in Accordance With Statements on Standards for Attestation Engagements" interpretation (ET sec. 1.297) establishes special requirements for independence for services provided under the attestation standards. In addition, the "Conceptual Framework Approach" interpretation (ET sec. 1.210.010) discusses threats to independence not specifically detailed elsewhere, for example, when the practitioner has an interest in the underlying subject matter.

Roles and Responsibilities (Ref: par. .27a29a)

.A35A41 All attestation engagements have an engaging party, a responsible party, the practitioner, and intended users. In some attestation engagements, the engaging party is different from the responsible party. In other attestation engagements, the engaging party, the responsible party, and the intended users may all be the same.

.A36A42 The responsible party may acknowledge its responsibility for the underlying subject matter as it relates to the objective of the engagement in a number of ways, for example, in an engagement letter, a representation letter, or the presentation of the subject matter information, including the notes thereto, or the written assertion. Examples of other evidence of the responsible party's responsibility for the underlying subject matter include reference to legislation, a regulation, or a contract.

.A37A43 Evidence that the appropriate relationship exists with respect to responsibility for the underlying subject matter may be obtained through an acknowledgment provided by the responsible party. Such an acknowledgment also establishes a basis for a common understanding of the responsibilities of the responsible party and the practitioner. A written acknowledgment is the most appropriate form of documenting the responsible party's understanding. In the absence of a written acknowledgment of responsibility, it may still be appropriate for the practitioner to accept the engagement if, for example, other sources, such as legislation or a contract, indicate responsibility. In other cases, it may be appropriate to decline the engagement depending on the circumstances or disclose the circumstances in the attestation report.

Appropriateness of Underlying Subject Matter (Ref: par. .27b29b[i])

.A38A44 An element of the appropriateness of underlying subject matter is the existence of a reasonable basis for measuring or evaluating the underlying subject matter against criteria. The responsible party in an assertion-based examination engagement or review engagement is responsible for having a reasonable basis for measuring or evaluating the underlying subject matter against the criteria. What constitutes a reasonable basis will depend on the nature of the underlying subject matter and other engagement circumstances.

.A39A45 An appropriate underlying subject matter

- a. is identifiable and capable of consistent measurement or evaluation against the criteria and
- b. can be subjected to procedures for obtaining sufficient appropriate evidence to support an opinion, conclusion, or findings, as appropriate.

.A40A46 If the underlying subject matter is not appropriate for an examination engagement, it also is not appropriate for a review engagement.

.A41A47 Different underlying subject matters have different characteristics, including the degree to which information about them is qualitative versus quantitative, objective versus subjective, historical versus prospective, and relates to a point in time or covers a period. Such characteristics affect the following:

- a. In an examination or review engagement, the precision with which the underlying subject matter can be measured or evaluated against criteria
- b. The persuasiveness of available evidence

.A42A48 Identifying such characteristics and considering their effects assists the practitioner when assessing the appropriateness of the underlying subject matter and also in determining the content of the practitioner's report.

.A43A49 In some cases, the attestation engagement may relate to only one part of a broader underlying subject matter. For example, the practitioner may be engaged to examine one aspect of an entity's contribution to sustainable development, such as the programs run by the entity that have positive environmental outcomes, and may be aware that the practitioner has not been engaged to examine more significant programs with less favorable outcomes. In such cases, in determining whether the engagement exhibits the characteristic of having an appropriate underlying subject matter, it may be appropriate for the practitioner to consider whether information about the aspect that the practitioner is asked to examine is likely to meet the information needs of intended users.

Suitable and Available Criteria (Ref: par. .27b29b[ii])

.A44A50 Suitable criteria exhibit all of the following characteristics:

- **Relevance.** Criteria are relevant to the underlying subject matter.

- *Objectivity*. Criteria are free from bias.
- *Measurability*. Criteria permit reasonably consistent measurements, qualitative or quantitative, of underlying subject matter.
- *Completeness*. Criteria are complete when subject matter information prepared in accordance with them does not omit relevant factors that could reasonably be expected to affect decisions of the intended users made on the basis of that subject matter information.

The relative importance of each characteristic to a particular engagement is a matter of professional judgment.

[.A45A51](#) Criteria can be developed in a variety of ways, for example, they may be

- embodied in laws or regulations.
- issued by authorized or recognized bodies of experts that follow a transparent due process.
- developed collectively by a group that does not follow a transparent due process.
- published in scholarly journals or books.
- developed for sale on a proprietary basis.
- specifically designed for the purpose of measuring, evaluating, or disclosing information about the underlying subject matter in the particular circumstances of the engagement.

How criteria are developed may affect the work that the practitioner carries out to assess their suitability.

[.A46A52](#) Criteria that are established or developed by groups composed of experts that follow due process procedures, including exposure of the proposed criteria for public comment, are ordinarily considered suitable. Criteria promulgated by a body designated by the Council of the AICPA under the AICPA Code of Professional Conduct are, by definition, considered to be suitable.

[.A47A53](#) In some cases, laws or regulations prescribe the criteria to be used for the engagement. In the absence of indications to the contrary, such criteria are presumed to be suitable.

[.A48A54](#) Criteria may be established or developed by the engaging party, the responsible party, industry associations, or other groups that do not follow due process procedures or do not as clearly represent the public interest. The practitioner's determination of whether such criteria are suitable is based on the characteristics described in paragraph [.A42A50](#).

.A49A55 Regardless of who establishes or develops the criteria, the responsible party or the engaging party is responsible for selecting the criteria, and the engaging party is responsible for determining that such criteria are appropriate for its purposes.

.A50A56 Some criteria may be suitable for only a limited number of parties who either participated in their establishment or can be presumed to have an adequate understanding of the criteria. For example, criteria set forth in a lease agreement for override payments may be suitable only for reporting to the parties to the agreement because of the likelihood that such criteria would be misunderstood or misinterpreted by parties other than those who have specifically agreed to the criteria. Such criteria can be agreed upon directly by the parties or through a designated representative.

.A51A57 Even when established criteria exist for an underlying subject matter, specific users may agree to other criteria for their specific purposes. For example, various frameworks can be used as established criteria for evaluating the effectiveness of internal control. Specific users may, however, develop a more detailed set of criteria that meet their specific information needs.

.A52A58 If criteria are specifically designed for the purpose of measuring, evaluating, or disclosing information about the underlying subject matter in the particular circumstances of the engagement, they are not suitable if they result in subject matter information or a practitioner's report that is misleading to the intended users. It is desirable for the intended users or the engaging party to acknowledge that specifically developed criteria are suitable for the intended users' purposes. The absence of such an acknowledgment may affect what is to be done to assess the suitability of the criteria and the information provided about the criteria in the report.

.A53A59 Criteria need to be available to the intended users to allow them to understand how the underlying subject matter has been measured or evaluated. Criteria are made available to the intended users in one or more of the following ways:

- a. Publicly
- b. Through inclusion in a clear manner in the presentation of the subject matter information
- c. Through inclusion in a clear manner in the practitioner's report
- d. By general understanding, for example, the criterion for measuring time in hours and minutes
- e. Available only to specified parties, for example, terms of a contract or criteria issued by an industry association that are available only to those in the industry

.A54A60 When criteria are available only to specified parties, sections 205 and 210 require a statement restricting the use of the practitioner's report.^{fn 7}

Access to Evidence (Ref: par. [.27b29b\[iii\]](#))

.A55A61 The nature of the relationship between the responsible party and, if different, the engaging party, may affect the practitioner's ability to access records, documentation, and other information the practitioner may require as evidence to arrive at the practitioner's opinion, conclusion, or findings. Therefore, the nature of that relationship may be a relevant consideration when determining whether or not to accept the engagement.

.A56A62 The quantity or quality of available evidence is affected by both of the following:

- a. The characteristics of the underlying subject matter or the subject matter information, for example, less objective evidence might be expected when the subject matter information is future-oriented, rather than historical
- b. Other circumstances, such as when evidence that could reasonably be expected to exist is not available, for example, because of the timing of the practitioner's appointment, an entity's document retention policy, inadequate information systems, or a restriction imposed by the responsible or engaging party

Acceptance of a Change in the Terms of the Engagement (Ref: par. [.3133](#))

.A57A63 A change in circumstances that affects the requirements of the responsible party or, if different, the engaging party, or a misunderstanding concerning the nature of the engagement originally requested, may be considered reasonable justification for requesting a change in the engagement, for example, from an attestation engagement to a consulting engagement or from an examination engagement to a review engagement. A change may not be considered reasonable if it appears that the change relates to information that is incorrect, incomplete, or otherwise unsatisfactory. An example of such a circumstance is a request to change the engagement from an examination to a review to avoid a modified opinion or a disclaimer of opinion in a situation in which the practitioner is unable to obtain sufficient appropriate evidence regarding the underlying subject matter or subject matter information.

^{fn 7} Paragraph .64b of section 205 and paragraph .47b of section 210.

~~.A58~~A64 If the practitioner and the engaging party are unable to agree to a change in the terms of the engagement and the practitioner is not permitted to continue the original engagement, the practitioner may withdraw from the engagement when possible under applicable laws and regulations.

Using the Work of an Other Practitioner (Ref: ~~par. .33~~)

~~.A59~~ The practitioner is responsible for (a) the direction, supervision, and performance of the engagement in compliance with professional standards; applicable regulatory and legal requirements; and the firm's policies and procedures and (b) determining whether the practitioner's report that is issued is appropriate in the circumstances. The practitioner may, however, use the work of other practitioners to obtain sufficient appropriate evidence to express an opinion, conclusion, or findings on the subject matter information (or assertion).

~~.A60~~ The engagement partner may decide to assume responsibility for the work of the other practitioner or to make reference to the other practitioner in the practitioner's report. Regardless of whether the engagement partner decides to assume responsibility or make reference, the practitioner is required to communicate clearly with the other practitioner and evaluate whether the other practitioner's work is adequate for the purposes of the engagement. The nature, timing, and extent of this involvement are affected by the practitioner's understanding of the other practitioner, such as previous experience with, or knowledge of, the other practitioner and the degree to which the engagement team and the other practitioner are subject to common quality control policies and procedures.

Quality Control Management

Engagement Resources

Sufficient and Appropriate Resources to Perform the Engagement (Ref: par. .35a)

~~.A65~~ Resources include human, technological, and intellectual resources. Human resources include members of the engagement team and, where applicable, any practitioner's external specialists and internal auditors who provide direct assistance. Technological resources include technological tools that may allow the practitioner to more effectively and efficiently manage the engagement. Intellectual resources include, for example, assurance methodologies, implementation tools, assurance guides, model programs, templates, checklists, or forms.

~~.A66~~ In determining whether sufficient and appropriate resources to perform the engagement have been assigned or made available to the engagement team, ordinarily, the engagement partner may depend on the firm's related policies or procedures (including resources). For example, based on information communicated by the firm, the engagement partner may be able to depend on the firm's technological development, implementation, and maintenance programs when using firm-approved technology to perform attestation procedures.

Assignment of the Engagement Team and the Practitioner's Specialists (Ref: par. .34a ~~b~~ 35b)

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~~A61A67~~ The practitioner may obtain knowledge about the specific underlying subject matter to which the procedures are to be applied and the criteria through formal or continuing education, practical experience, or consultation with others.

~~A62A68~~ When ~~considering determining that the engagement team has~~ the appropriate competence and capabilities ~~expected of those involved in the engagement~~, the engagement partner may take into consideration such matters as ~~their~~the engagement team's

- understanding of, and practical experience with, engagements of a similar nature and complexity through appropriate training and participation.
- understanding of professional standards and applicable legal and regulatory requirements.
- technical expertise, including expertise with relevant in IT used by the entity or automated tools or techniques that are to be used by the engagement team in planning and performing the engagement and specialized areas relevant to the underlying subject matter.
- knowledge of relevant industries in which the entity operates.
- ability to apply exercise professional skepticism and professional judgment.
- understanding of the firm's quality control policies and or procedures.

~~A64A69~~ Under QM section 10, the firm is required to establish a quality objective that addresses the nature, timing, and extent of the direction and supervision of engagement teams and review of their work. QM section 10 also requires that such direction, supervision, and review be planned and performed on the basis that the work performed by less experienced members of the engagement team be directed, supervised, and reviewed by more's review responsibility policies and procedures are determined on the basis that suitably experienced team members review the work of other team members. The engagement partner may delegate part of the review responsibility to other members of the engagement team, in accordance with the firm's system of quality control.

~~A63A70~~ Some of the attestation work may be performed by a multidisciplinary team that includes one or more practitioner's specialists. For example, in an examination engagement, a practitioner's specialist may be needed to assist the practitioner in obtaining an understanding of the underlying subject matter, criteria, and other engagement circumstances or in assessing or responding to the risk of material misstatement.

Leadership Responsibilities for Quality in Attestation Engagements (Ref: par. 35c)

~~A64~~ Under QM section 10A, the firm's review responsibility policies and procedures are determined on the basis that suitably experienced team members review the work of other team members. The engagement partner may delegate part of the review responsibility to other members of the engagement team, in accordance with the firm's system of quality control.

Using an Other Practitioner (Ref: par. .36)

- .A71 An other practitioner may be part of the practitioner's firm, a network firm, or another firm.
- .A72 Paragraph .35a of this section requires the engagement partner to determine that sufficient and appropriate resources to perform the engagement are assigned or made available to the engagement team in a timely manner. Accordingly, the practitioner may involve an other practitioner to perform attestation work to fulfill the requirements of the SSAEs. The engagement partner may either determine to use the work of an other practitioner or to make reference to the other practitioner in the practitioner's report. If the engagement partner determines to make reference to the other practitioner in the practitioner's report, the requirements in paragraph .35 do not apply.
- .A73 Regardless of whether the practitioner uses the work of an other practitioner or makes reference to the other practitioner in the practitioner's report, the engagement partner remains ultimately responsible and therefore is accountable for compliance with the requirements of the SSAEs.
- .A74 Using the work of an other practitioner means that the practitioner has determined to not make reference to the other practitioner in the practitioner's report.

Insufficient or Inappropriate Resources (Ref: par. .37)

- .A75 The engagement partner's determination of whether additional engagement-level resources are required is a matter of professional judgment and is influenced by the requirements of this section and the nature and circumstances of the engagement. In certain circumstances, the engagement partner may determine that the firm's responses to quality risks are ineffective in the context of the specific engagement, including that certain resources assigned or made available to the engagement team are insufficient. In those circumstances, the engagement partner is required to take appropriate action, including communicating such information to the appropriate individuals in accordance with paragraph .37 and paragraph .54c. For example, if an attestation software program provided by the firm has not incorporated new or revised procedures regarding recently issued industry regulation, timely communication of such information to the firm enables the firm to take steps to update and reissue the software promptly or to provide an alternative resource that enables the engagement team to comply with the new regulation in the performance of the engagement.
- .A76 If the resources assigned or made available are insufficient or inappropriate in the circumstances of the engagement and additional or alternative resources have not been made available, appropriate actions may include the following:
- Changing the planned approach to the nature, timing, and extent of direction, supervision, and review
 - Discussing an extension to reporting deadlines with management or those charged with governance, when an extension is possible under applicable law or regulation

- Following the firm's policies or procedures for resolving differences of opinion if the engagement partner does not obtain the necessary resources for the engagement
- Following the firm's policies or procedures for withdrawing from the engagement, when withdrawal is possible under applicable law or regulation

The Engagement Partner's Responsibilities (Ref: par. .38, .40, .49, and .53–.54)

.A77 The engagement partner remains ultimately responsible and therefore accountable for compliance with the requirements of this section. Nevertheless, the engagement partner may seek assistance from others to fulfill these responsibilities. The phrase "take responsibility for..." is used for those requirements for which the engagement partner is permitted to assign the design or performance of procedures, tasks, or actions to appropriately skilled or suitably experienced members of the engagement team. For other requirements, this section expressly intends that the requirement or responsibility be fulfilled by the engagement partner. In such circumstances, the engagement partner may need to obtain information from the firm or other members of the engagement team. For example, when others perform supervisory and review activities, the outcomes of those activities can be taken into account by the engagement partner in fulfilling these responsibilities.

Leadership Responsibilities for Quality in Attestation Engagements (Ref: par. .39–.40 and .45)

.A78 QM section 10 requires the firm to establish quality objectives that engagement team members are assigned to each engagement, including an engagement partner, who have appropriate competence and capabilities, including sufficient time to perform the engagement, to consistently perform quality engagements.

.A79 Having the appropriate competence results in the engagement partner being able to:

- when needed, ask appropriate questions of a practitioner's specialist and evaluate whether the answers make sense in the engagement circumstances.
- evaluate a practitioner's specialist's work and, to the extent needed, integrate it with the work of the engagement team as a whole.
- take responsibility for the conclusions reached on the engagement.

.A80 What constitutes competence sufficient to accept responsibility for the conclusions reached on the engagement depends on the engagement circumstances and differs from engagement to engagement. Whether the engagement partner has sufficient competence in order to accept responsibility for the conclusions reached on the engagement is a matter of professional judgment, and may involve consideration of factors such as the following:

- The nature and complexity of the underlying subject matter and its measurement or evaluation

b. The extent to which the underlying subject matter lends itself to precise measurement or whether there is a high degree of measurement uncertainty that may need significant knowledge and judgment in relation to the underlying subject matter

c. The engagement partner's and engagement team's competence and previous experience in relation to the underlying subject matter

.A81 Being sufficiently and appropriately involved throughout the attestation engagement when procedures, tasks, or actions have been assigned to other members of the engagement team may be demonstrated by the engagement partner in different ways, including the following:

- Informing assignees about the nature of their responsibilities and authority, the scope of the work being assigned and the objectives thereof, and providing any other necessary instructions and relevant information
- Directing and supervising the assignees
- Reviewing the assignees' work to evaluate the conclusions reached, in addition to the requirements in paragraphs 35c, 40b, and 42–45 of this section.

.A82 Paragraph .35d(i) requires the engagement partner to determine that members of the engagement team have undertaken appropriate consultation on the matters specified in paragraph .40c during the engagement, both within the engagement team and between the engagement team and others at the appropriate level within or outside the firm.

.A83 The engagement partner uses professional judgment in determining which written communications to review, taking into account the nature and circumstances of the engagement. For example, it may not be necessary for the engagement partner to review communications between the engagement team and management in the ordinary course of the engagement.

Compliance With Relevant Ethical Requirements

Relevant Ethical Requirements (Ref: par. .48)

.A84 Open and robust communication between the members of the engagement team about relevant ethical requirements may also assist in

- drawing the attention of engagement team members to relevant ethical requirements that may be of particular significance to the attestation engagement.
- keeping the engagement partner informed about matters relevant to the engagement team's understanding and fulfillment of relevant ethical requirements and the firm's related policies or procedures.

The Application of Firm Policies or Procedures by Members of the Engagement Team (Ref: par. .49)

.A85 Within the context of the firm's system of quality management, engagement team members from the firm are responsible for implementing the firm's policies or procedures that are applicable to the engagement. Engagement team members from another firm are neither partners nor staff of the engagement partner's firm. As such, they may not be subject to the firm's system of quality management or the firm's policies or procedures. Further, the policies or procedures of another firm may not be similar to those of the engagement partner's firm. For example, policies or procedures regarding direction, supervision, and review may be different, particularly when the other firm is in a jurisdiction with a different legal system, language, or culture than that of the engagement partner's firm. Accordingly, when the engagement team includes individuals who are from another firm, different actions may need to be taken by the firm or the engagement partner to implement the firm's policies or procedures with respect to the work of those individuals.

Identifying and Evaluating Threats to Compliance With Relevant Ethical Requirements (Ref: par. 49)

.A86 In accordance with QM section 10, the firm's responses to address the quality risks in relation to relevant ethical requirements, including those related to independence for engagement team members, include policies or procedures for identifying, evaluating, and addressing threats to compliance with the relevant ethical requirements.

Taking Appropriate Action (Ref: par. .52)

.A87 Examples of appropriate actions may include the following:

- Following the firm's policies or procedures regarding breaches of relevant ethical requirements, including communicating to or consulting with the appropriate individuals so that appropriate action can be taken, including, as applicable, disciplinary action.
- Communicating with those charged with governance.
- Communicating with regulatory authorities or professional bodies. In some circumstances, communication with regulatory authorities may be required by law or regulation.
- Seeking legal advice.
- Withdrawing from the engagement when withdrawal is possible under applicable law or regulation.

Considerations Specific to Governmental Audit Organizations (Ref: par. .48)

.A88 Law or regulation may provide safeguards for the independence of governmental organizations and the practitioners they employ. However, in the absence of law or regulation, governmental organizations may establish supplemental safeguards to assist the practitioner or organization in maintaining independence.

Additionally, when law or regulation does not permit withdrawal from the engagement, the practitioner may disclose in the practitioner's report the circumstances affecting the practitioner's independence.

Monitoring and Remediation (Ref: par. .54)

.A89 In considering information communicated by the firm through its monitoring and remediation process and how it may affect the engagement, the engagement partner may consider the remedial actions designed and implemented by the firm to address deficiencies and, to the extent relevant to the nature and circumstances of the engagement, communicate accordingly to the engagement team. The engagement partner may also determine whether additional remedial actions are needed at the engagement level. For example, the engagement partner may determine that

- a practitioner's specialist is needed or
- the nature, timing, and extent of direction, supervision, and review need to be enhanced in an area of the engagement where deficiencies have been identified.

If an identified deficiency does not affect the quality of the engagement (for example, if it relates to a technological resource that the engagement team did not use), then no further action may be needed.

Engagement Documentation (Ref: par. .3756-.3857)

.A65A90 Documentation prepared at the time work is performed or shortly thereafter is likely to be more accurate than documentation prepared at a much later time.

.A66A91 The completion of the assembly of the final engagement file is an administrative process that does not involve the performance of new procedures or the drawing of new conclusions. Changes may, however, be made to the documentation during the final assembly process if they are administrative in nature. Examples of such changes include the following:

- Deleting or discarding superseded documentation
- Sorting, collating, and cross-referencing working papers
- Signing off on completion checklists relating to the file assembly process
- Documenting evidence that the practitioner has obtained, discussed, and agreed with the relevant members of the engagement team before the date of the practitioner's report
- Adding information received after the date of the report, for example, an original confirmation that was previously communicated electronically

Engagement Quality ~~Control~~ Review (Ref: par. .4564)

~~.A67A92~~ Other matters that may be considered in an engagement quality control review include the following:

- ~~a. The engagement team's evaluation of the firm's independence in relation to the engagement~~
- ~~b. Whether appropriate consultation has taken place on matters involving differences of opinion or other difficult or contentious matters and the conclusions arising from those consultations~~
- ~~c. Whether engagement documentation selected for review reflects the work performed in relation to the significant judgments and supports the conclusions reached~~

QM section 10 contains requirements that the firm establish policies or procedures addressing engagement quality reviews in accordance with QM section 20, *Engagement Quality Reviews*, and requiring an engagement quality review for certain types of engagements.^{fn 9} QM section 20 deals with the appointment and eligibility of the engagement quality reviewer and the engagement quality reviewer's responsibilities relating to performing and documenting an engagement quality review.

Professional Skepticism and Professional Judgment

Professional Skepticism (Ref: par. .4665)

~~.A68A93~~ Professional skepticism includes being alert to matters such as the following:

- Evidence that contradicts other evidence obtained
- Information that brings into question the reliability of documents and responses to inquiries to be used as evidence
- Circumstances that may indicate fraud
- Circumstances that suggest the need for procedures in addition to those required by relevant AT-C sections

~~.A69A94~~ Professional skepticism is necessary to the critical assessment of evidence. This includes questioning contradictory evidence and the reliability of documents and responses to inquiries and other information obtained from the appropriate party. It also includes consideration of the sufficiency and appropriateness of evidence obtained in light of the circumstances.

~~.A70A95~~ The practitioner neither assumes that the appropriate party is dishonest nor assumes unquestioned honesty. The practitioner cannot be expected to disregard past experience of the honesty and integrity of

^{fn 9} Paragraph .35f of QM section 10.

those who provide evidence. Nevertheless, a belief that those who provide evidence are honest and have integrity does not relieve the practitioner of the need to maintain professional skepticism or allow the practitioner to be satisfied with less than sufficient appropriate evidence for the service being provided.

Professional Judgment (Ref: par. [.4867](#))

[.A71A96](#) Professional judgment is essential to the proper conduct of an attestation engagement. This is because interpretation of relevant ethical requirements and relevant AT-C sections and the informed decisions required throughout the engagement cannot be made without the application of relevant knowledge and experience to the facts and circumstances.

[.A72A97](#) For examination and review engagements, professional judgment is necessary regarding decisions about the following matters:

- Materiality and attestation risk
- The nature, timing, and extent of procedures used to meet the requirements of relevant AT-C sections and gather evidence
- Evaluating whether sufficient appropriate evidence for the service being provided has been obtained and whether more needs to be done to achieve the objectives of this section, section 205, section 206, or section 210, and any relevant subject-matter-specific AT-C sections and thereby the overall objectives of the practitioner
- In assertion-based examination engagements and review engagements, the evaluation of the responsible party's judgments in applying the criteria
- The drawing of conclusions based on the evidence obtained, for example, assessing the reasonableness of the evaluation or measurement of underlying subject matter

[.A73A98](#) The distinguishing feature of professional judgment expected of a practitioner is that such judgment is exercised based on competencies necessary to achieve reasonable judgments developed by the practitioner through relevant training, knowledge, and experience.

[.A74A99](#) The exercise of professional judgment in any particular case is based on the facts and circumstances that are known by the practitioner. Consultation on difficult or contentious matters during the course of the engagement, both within the engagement team and between the engagement team and others at the appropriate level within or outside the firm, assist the practitioner in making informed and reasonable judgments.

[.A75A100](#) Professional judgment can be evaluated based on whether the judgment reached reflects a competent application of the attestation standards and measurement or evaluation principles and is appropriate in light of, and consistent with, the facts and circumstances that were known to the practitioner up to the date of the practitioner's report.

[.A76A101](#) The requirement to exercise professional judgment applies throughout the engagement. Professional judgment also needs to be appropriately documented as required by sections 205, 206, and 210.