HOOD AND ASSOCIATES CPAs, PC

Accounting and Auditing Update
Tulsa Chapter OSCPA
November 9, 2022

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Agenda

- Accounting Standards Update 3:00 to 3:50
- Break 3:50 to 4:00
- Auditing Standards Update 4:00 to 4:40
- Questions

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Introduction

What we will cover – Accounting Standards Update (ASU)

- There were 11 ASUs issued in 2020, 11 in 2021 and 4 so far in 2022
- We will discuss the reason(s) the update was issued
- We will discuss the entities affected by the update
- We will discuss the effective date(s) of the update

Introduction - Continued

What we will cover – Auditing Standards issued

- The most recent Standards from 2021 and 2022
- We will discuss the reason(s) the Standard was issued
- We will discuss the effective date(s) of the Standard

Accounting Standards Update

- ASU 2020-01
- Investments – Equity Securities (Topic 321), Investments - Equity Method and Joint Ventures (Topic 323), and Derivatives and Hedging (Topic 815)
- Clarifying the Interactions between Topic 321, Topic 323 and Topic 815

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Accounting Standards Update – Cont.

- ASU 2020-01
- Issued January 2020
- Two Main Issues Addressed
  - Accounting for Certain Equity Securities upon the Application or Discontinuation of the Equity Method of Accounting
  - Scope Considerations for Forward Contracts and Purchased Options on Certain Securities
- Affects all Entities
- Effective for Public Companies – Years Beginning after 12/15/20; All Others – Years Beginning after 12/15/21

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Accounting Standards Update – Cont.

- ASU 2020-02
- Financial Instruments – Credit Losses (Topic 326) and Leases (Topic 842)
- Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 119 and Update to SEC Section on Effective Date Related to Accounting Standards Update No. 2016-02, *Leases (Topic 842)*

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Accounting Standards Update – Cont.

- ASU 2020-02
- Issued February 2020
- Two Main Issues Addressed
  - Amend Existing Codification for SEC Content Modifications
  - Add Section 326-20-99S
- Affects Public Entities
- Effective – Adoption of Topic 606 – Years Beginning after 12/15/18; Adoption of Topic 842 – Years Beginning after 12/15/19

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Accounting Standards Update – Cont.

- ASU 2020-03
- Codification Improvements to Financial Instruments

Accounting Standards Update – Cont.

- ASU 2020-03
- Issued March 2020
- Seven Issues Addressed
  1. Fair Value Option Disclosures – Amended Paragraphs 825-10-50-24 through 50-32
  2. Applicability of Portfolio Exception in Topic 820 to Nonfinancial Items – Amended Paragraphs 820-10-35-2A(g) and 820-10-35-18L
  3. Disclosures for Depository and Lending Institutions – Clarification that Disclosure Requirements in Topic 320 apply to the Disclosure Requirements in Topic 942

Accounting Standards Update – Cont.

- ASU 2020-03 - Continued
  4. Cross-Reference to Line-of-Credit or Revolving-Debt Arrangements Guidance in Subtopic 470-50 – Improve Understandability of Topic
  5. Cross-Reference to Net Asset Value Practical Expedient in Subtopic 820-10 – Improve Understandability of Topic
  6. Interaction of Topic 842 and Topic 326 – Clarifies that contractual term of a net investment in a lease determined in accordance Topic 842 should be the contractual term used to measure expected credit losses under Topic 326

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Accounting Standards Update – Cont.

- ASU 2020-03 - Continued
  7. Interaction of Topic 326 and Subtopic 860-20 – Clarify that when an entity regains control of inancial assets sold, an allowance for credit losses should be recorded in accordance with Topic 326.
- Affects All Entities
- Effective – Issues 1 through 5 – Years Beginning After 12/15/19; Issues 6 and 7 – Public Entities – During 2020, All Others – During 2023

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Accounting Standards Update – Cont.

- ASU 2020-04
- Reference Rate Reform – (Topic 848)
- Facilitation of the Effects of Reference Rate Reform on Financial Reporting

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Accounting Standards Update – Cont.

- ASU 2020-04
- Issued March 2020
- To provide optional guidance for a limited period, to ease the potential burden in accounting for (or recognizing the effects of) reference rate reform on financial reporting.
- The change from London Interbank Offered Rates (LIBOR) to Interbank Offered Rates (IBOR)
- Generally effective through 12/31/22. Exception for certain hedging relationships entered into before 12/31/22 for which the entity has elected certain optional expedients for and are retained through the end of the hedging relationship

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Accounting Standards Update – Cont.

- ASU 2020-05
- Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842)
- Effective Dates for Certain Entities

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Accounting Standards Update – Cont.

- ASU 2020-05
- Issued June 2020
- Limited deferral of the effective dates of ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)* and ASU 2016-02, *Leases (Topic 842)*
- Affects Non-Public Entities
- Revenue from Contracts with Customers – Deferred from 12/15/18 to 12/15/19
- Leases – Deferred from 12/15/20 to 12/15/21

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Accounting Standards Update – Cont.

- ASU 2020-06
- Debt – Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging – Contracts in Entity's Own Equity (Subtopic 815-40)
- Accounting for Convertible Instruments and Contracts in an Entity's Own Equity

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Accounting Standards Update – Cont.

- ASU 2020-06
- Issued August 2020
- Reduce the Complexity in Accounting for Convertible Instruments
- Reduced the Number of Accounting Models used for Determining the Embedded Conversion Feature(s)
- Reduce the Number of Restatements Related to Convertible Instruments
- Affects All Entities Issuing Convertible Instruments and/or Contracts in an Entity's Own Equity

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Accounting Standards Update – Cont.

- ASU 2020-06
- Effective for Public Business Entities, Except Smaller Reporting Companies, for Years Beginning After 12/15/21
- Effective for All Others for Years Beginning After 12/15/23
- Early Adoption is Permitted but not Earlier than Years Beginning After 12/15/20

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Accounting Standards Update – Cont.

- ASU 2020-07
- Not-for-Profit Entities (Topic 958)
- Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets

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Accounting Standards Update – Cont.

- ASU 2020-07
- Issued September 2020
- To Improve GAAP by Increasing the Transparency of Contibuted Nonfinancial Assets for NFP Entities Through Enhancements to Presentation and Disclosure
- Applies to NFPs receiving contributed nonfinancial assets
- Present as separate line item in statement of activities
- Qualitative information about monetization or utilization of contributed nonfinancial assets

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Accounting Standards Update – Cont.

- ASU 2020-08
- Codification Improvements to Subtopic 310-20, Receivables – Nonrefundable Fees and Other Costs

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Accounting Standards Update – Cont.

- ASU 2020-08
- Issued October 2020
- Clarification of Board's intent that an entity should reevaluate whether a callable debt security which has multiple call dates is within the scope of paragraph 310-20-35-33 for each reporting period
- Effective for Public Business Entities – Years Beginning After 12/15/20. For All Others – Years Beginning After 12/15/21
- Qualitative information about monetization or utilization of contributed nonfinancial assets

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Accounting Standards Update – Cont.

- ASU 2020-08
- NFP's policy about monetizing rather than utilization
- Description of any donor-imposed restrictions
- A description of the valuation technique(s) used to arrive at a fair value measure in accordance with Topic 820
- The principal market (or most advantageous market) used to arrive at a fair value measure if the NFP is prohibited by donor-imposed restriction from selling or using the contributed nonfinancial asset(s).
- Effective for Annual Periods Beginning After 6/15/21

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Accounting Standards Update – Cont.

- ASU 2020-09
- Debt (Topic 470)
- Amendment to SEC Paragraphs Pursuant to SEC Release No. 33-10762
- Issued October 2020
- Affects Entities Subject to SEC Requirements
- Effective 1/4/21

Accounting Standards Update – Cont.

- ASU 2020-10
- Codification Improvements
- Issued October 2020
- FASB issued Proposed ASU *Codification Improvements* November 26, 2019
- Comments were due by December 26, 2019
- Proposed ASU asked seven questions
- There were 55 Issues addressed in the Proposed ASU

Accounting Standards Update – Cont.

- These 55 Issues were grouped in three sections
- Section A contained issues 1 through 16 – Amendments to Remove References to the Concept Statements
- Section B contained issues 17 through 32 – Amendments to Disclosure Sections of the Codification
- Section C contained issues 33 through 55 – Other Codification Improvements
- Of these 55 issues, 29 did not make it to the final update, ASU 2020-10

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Accounting Standards Update – Cont.

- Section A in the Proposed ASU was completely removed from the final update because those issues were to be addressed in separate ASUs
- Two issues in Section B of the Proposed ASU, 26 and 28, were removed because they were superseded by a previous ASU
- Three issues in Section C of the Proposed ASU, 34, 51 and 54 were removed for further considerations
- Eight issues in Section C of the Proposed ASU, 37, 38, 40, 42-44, 49 and 50 were addressed in ASU 2020-03, *Codification Improvements to Financial Instruments*

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Accounting Standards Update – Cont.

- Applies to all Entities affected by the amendments
- Effective for Public Business Entities – annual periods beginning after 12/15/20
- Effective for all Other Entities – annual periods beginning after 12/15/21
- Early application permitted for Public Business Entities for any annual or interim period for which financial statements have not been issued
- Early application permitted for Other Entities for any annual or interim period for which financial statements are available to be issued.
- ASU 2020-10 should be applied retrospectively.

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Accounting Standards Update – Cont.

- ASU 2020-11
- Financial Services – Insurance (Topic 944)
- Effective Date and Early Application
- Issued November 2020
- Defer the Effective Date for the Implementation of Amendments in ASU 2018-12, *Financial Services – Insurance (Topic 944): Targeted Improvements to the Accounting for Long-Duration Contracts (LTDI)*
- New Effective Date for Public Business Entities – Years Beginning After 12/15/21. All Others – Years Beginning After 12/15/23

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Accounting Standards Update

- ASU 2021-01
- Reference Rate Reform (Topic 848)
- Scope
- Issued January 2021
- Amendments are Elective
- Applicable to all Entities that have Derivative Instruments which use an Interest Rate for Margining, Discounting or Contract Price Alignment that is Modified as a result of Reference Rate Reform

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Accounting Standards Update – Cont.

- ASU 2021-01
- Effective Immediately for All Entities
- Does not Apply to:
  - Contract Modifications made after 12/31/22
  - New Hedging Relationships entered into after 12/31/22
  - Existing Hedging Relationships Evaluated for Effectiveness in Periods after 12/31/22
  - EXCEPT for Hedging Relationships Existing as of 12/31/22 which apply Certain Opitional Expedients in which the Accounting Effects are Recorded Through the end of the Hedging Relationship (Including Periods after 12/31/22)

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Accounting Standards Update – Cont.

- ASU 2021-02
- Franchisors – Revenue from Contracts with Customers (Subtopic 952-606)
- Practical Expedient
- Issued January 2021
- Applies to All Entities that are not Public Business Entities that are within the Scope of Topic 952 (That is All Entities that meet the Definition of Franchisor)

Accounting Standards Update – Cont.

- ASU 2021-02
- Effective Dates:
  - If Entity has not yet Adopted Topic 606, the Effective Date in Paragraph 606-10-65-1 is Required.
    - Allows for an Option of Modified Retrospective Transition or Full Retrospective Transition. Effective for Annual Reporting Periods Beginning After 12/15/19
  - If Entity has Already Adopted Topic 606, Effective in Interim and Annual Periods Beginning After 12/15/20
- Applied Retrospectively to the Date of Adoption of Topic 606

Accounting Standards Update – Cont.

- ASU 2021-03
- Intangibles – Goodwill and Other (Topic 350)
- Accounting Alternative for Evaluating Triggering Events

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Accounting Standards Update – Cont.

- ASU 2021-03
- Issued March 2021
- Affects Private Companies and Not-for-Profit Entities
- Effective Prospectively for Years Beginning After 12/15/19.
- Early Adoption Permitted if Annual Financial Statements have not been Issued or Made Available for Issuance as of 3/30/21

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Accounting Standards Update – Cont.

- ASU 2021-04
- Earnings Per Share (Topic 260), Debt – Modifications and Extinguishments (Subtopic 470-50), Compensation – Stock Compensation (Topic 718), and Derivatives and Hedging – Contracts in Entity's Own Equity (Subtopic 815-40)
- Issuer's Accounting for Certain Modifications or Exchanges of Freestanding Equity-Classified Written Call Options
- a consensus of the FASB Emerging Issues Task Force

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Accounting Standards Update – Cont.

- ASU 2021-04
- Issued May 2021
- To Clarify and Reduce Diversity in an Issuer's Accounting for Modifications or Exchanges of Freestanding Equity-Classified Written Call Options that Remain Equity Classified after Modification or Exchange
- Affects All Entities that Issue Freestanding Written Call Options which are Classified as Equity
- Does not Apply to Modifications or Exchanges of Financial Instruments which are within the Scope of Another Topic
- Effective for All Entities for Years Beginning After 12/15/21

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Accounting Standards Update – Cont.

- ASU 2021-05
- Leases (Topic 842)
- Lessors – Certain Leases with Variable Lease Payments

Accounting Standards Update – Cont.

- ASU 2021-05
- Issued July 2021
- Affects Lessors with Lease Contracts that:
  - Have Variable Lease Payments not Dependent on a Reference Index or Rate, and
  - Would have resulted in the Recognition of a Selling Loss at Lease Commencement if Classified as a Sales-Type Lease

Accounting Standards Update – Cont.

- ASU 2021-05
- Effective for Years Beginning After 12/15/21
- If Topic 842 was not Adopted on or Before the Issuance of this ASU, Follow the Transition Requirements in Paragraph 842-10-65-1
- The Transition is Either:
  - Retrospective to Each Prior Period Presented – Cumulative Effect of Transition Recognized at the Beginning of the Earliest Period Presented

Accounting Standards Update – Cont.

  - Retrospective to the Period of Adoption – Cumulative Effect of Transition Recognized at the Beginning of the Period of Adoption
- Entities which Adopted Topic 842 Before the Issuance of this ASU, Apply Amendments Either:
  - Retrospectively to Leases which Commenced or were Modified On or After Adoption of ASU 2016-02, or
  - Prospectively to Leases that Commence or are Modified On or After the Date Entity first Applies these Amendments

Accounting Standards Update – Cont.

- ASU 2021-06
- Presentation of Financial Statements (Topic 205), Financial Services – Depository and Lending (Topic 942), and Financial Services – Investment Companies (Topic 946)
- Amendments to SEC Paragraphs Pursuant to SEC Final Rule Releases No. 33-10786, *Amendments to Financial Disclosures about Acquired and Disposed Business,* and No. 33-10835, *Update of Statistical Disclosures for Bank and Savings and Loan Registrants*

Accounting Standards Update – Cont.

- ASU 2021-06
- Issued August 2021
- To Update Codification to SEC Amendments
- Affects All SEC Registrants

Accounting Standards Update – Cont.

- ASU 2021-07
- Compensation – Stock Compensation (Topic 718)
- Determining the Current Price of an Underlying Share for Equity-Classified Share-Based Awards
- a consensus of the Private Company Council

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Accounting Standards Update – Cont.

- ASU 2021-07
- Issued October 2021
- To Reduce Cost and Complexity of Determining the Fair Value of Private Company Share-Option Awards at Grant Date or Upon Modification to an Award
- Practical Expedient – Reasonable Valuation Method
  - The Date on which the Valuation's Reasonableness is Evaluated
  - The Factors that should be Considered
  - The Scope of the Information to Consider
  - The Criteria that should be met

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Accounting Standards Update – Cont.

- ASU 2021-07
- Practical Expedient
  - The Date on which the Valuation's Reasonableness is Evaluated is the Measurement Date
  - The Factors that should be Considered
    - Value of Tangible and Intangible Assets of the Entity
    - Present Value of Anticipated Cash Flows of the Entity
    - Market Value of Stock or Equity Interests in Similar Entities Engaged in Trades or Business Substantially Similar to Entity
    - Recent Arm's-Length Transactions – Sale or Transfer of Stock or Equity Interests in Entity

Accounting Standards Update – Cont.

- ASU 2021-07
  - The Factors that should be Considered
    - Other Relevant Factors – Control Premiums or Discounts and Whether the Valuation is Used for Other Purposes
    - The Entity's Consistent Use of a Valuation Method
  - The Scope of the Information to Consider – All Information Material to the Value of the Entity
  - The Criteria that should be met
    - The Value is Updated for any Information Available after Calculation Date which may Materially Affect the Value
    - The Valuation is no more than 12 Months Old

Accounting Standards Update – Cont.

- ASU 2021-08
- Business Combinations (Topic 805)
- Accounting for Contract Assets and Contract Liabilities from Contracts with Customers

Accounting Standards Update – Cont.

- ASU 2021-08
- Issued October 2021
- To Improve the Accounting for Acquired Revenue Contracts with Customers in a Business Combination by Addressing the Diversity and Inconsistency in:
  - Recognition of an Acquired Contract Liability
  - Payment Terms and Their Effect on Subsequent Revenue Recognition by the Acquirer
- Effective for Public Business Entities – Years Beginning After 12/15/20. For All Others – Years Beginning After 12/15/21

Accounting Standards Update – Cont.

- ASU 2021-08
- Effective for Public Business Entities – Years Beginning After 12/15/22
- For All Others – Years Beginning After 12/15/23
- Early Adoption Permitted:
  - If Adopted in an Interim Period – Retrospectively to All Business Combinations for which Acquisition Date Occurs on After the Beginning of the Year
  - Prospectively to All Business Combinations occurring After the Date of Initial Application

Accounting Standards Update – Cont.

- ASU 2021-09
- Leases (Topic 842)
- Discount Rate for Lessees That Are Not Public Business Entities
- Issued November 2021
- Affects Lessees which are not Public Business Entities including ALL Not-for-Profit Entities and Employee Benefit Plans
- Effective 1/4/21

Accounting Standards Update – Cont.

- ASU 2021-09
- Effective Date 11/11/21
  - Entities that have not yet Adopted Topic 842, Private Companies and Not-for-Profit Entities that are NOT Conduit Bond Obligors, Years Beginning After 12/15/21
  - Due to Early Application Permission, some Private Companies and Not-for-Profit Entities which are Conduit Bond Obligors have Already Adopted Topic 842, this ASU is effective as of 11/11/21

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Accounting Standards Update – Cont.

- ASU 2021-10
- Government Assistance (Topic 832)
- Disclosures by Business Entities about Government Assistance
- Issued November 2021
- To Increase Transparency of Government Assistance
  - Type(s) of Assistance
  - Entity's Accounting for Assistance
  - Effect of Assistance on Entity's Financial Statements

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Accounting Standards Update – Cont.

- Disclosures Required:
  - Information about the Nature of the Transaction(s) and Related Accounting Policy
  - Line Items on Balance Sheet and Income Statement Affected and the Amount(s) Applicable to the Line Item
  - Significant Terms and Conditions of the Transaction(s), Including Commitments and Contingencies
- Effective for All Entities within their Scope for Annual Periods Beginning After 12/15/21

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Accounting Standards Update – Cont.

- ASU 2022-01
- Derivatives and Hedging (Topic 815)
- Fair Value Hedging – Portfolio Layer Method
- FASB Issued ASU 2017-12, *Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities*
- After Issuance of ASU 2017-12, There were Questions from the Entities and Practioners
- Issued March 2022

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Accounting Standards Update – Cont.

- ASU 2022-01
- Questions
  - Could Only a Single Hedged Layer be Designated or Could Multiple Hedged Layers be Designated
  - Could the Scope of Last-of-Layer Hedging be Expanded
  - Clarification about what Types Hedging Instruments were Permitted for Single Layer and Multiple Layers
  - Provide Additional Guidance on Accounting for and Disclosing Hedge Basis Adjustments of an Existing Last-of-Layer Hedge
  - Interaction of Accounting for Last-of-Layer Hedges and Credit Losses

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Accounting Standards Update – Cont.

- ASU 2021-01
- FASB Responses to Questions
  - Expanded Current Last-of-Layer Method
  - Expanded Scope of the Portfolio Layer Method
  - Specified Eligible Hedging Instruments in a Single-Layer Hedge to Include Spot – Starting or Forward – Starting Constant-Notional Swaps, or Spot of Forward – Starting Amortizing – Notional Swaps
  - Provided Additional Guidance on Accounting for and Disclosing Basis Adjustments Applicable to the Portfolio Layer Method

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Accounting Standards Update – Cont.

- ASU 2021-01
- FASB Responses to Questions
  - Specified how Hedge Basis Adjustments should be Considered when determining Credit Losses for Assets in the Closed Portfolio
- Applies to ALL Entities Electing to Apply the Portfolio Layer Method of Hedge Accounting
- Effective for Public Business Entities for Years Beginning After 12/15/22
- All Others – Years Beginning After 12/15/23

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Accounting Standards Update – Cont.

- ASU 2022-02
- Financial Instruments – Credit Loss (Topic 326)
- Troubled Debt Restructurings and Vintage Disclosures
- Issued March 2022
- Two Issues
  - Troubled Debt Restructuring by Creditors
  - Vintage Disclosures – Gross Writeoffs

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Accounting Standards Update – Cont.

- ASU 2022-02
- Eliminated the Accounting Guidance for TDRs by Creditors in Subtopic 310-40
- Require Public Business Entities Disclose Current-Period Gross Writeoffs by Year of Origination for Financing Receivables and Net Investments
- Effective Dates
  - Already Adopted ASU 2016-13, Years Beginning After 12/15/22
  - Have not Adopted ASU 2016-13, Same as Effective Dates in ASU 2016-13

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Accounting Standards Update – Cont.

- ASU 2022-02
- Amendments in this ASU – Apply Prospectively, Except,
- Transition Method Related to Recognition and Measurement of TDRs
  - Entity has Option to Apply a Modified Retrospective Transition Method – Cumulative-Effect Adjustment to Retained Earnings in Period of Adoption

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Accounting Standards Update – Cont.

- ASU 2022-03
- Fair Value Measurement (Topic 820)
- Fair Value Measurement of Equity Securities Subject Contractual Sale Restrictions
- Issued June 2022
- Three Purposes for ASU
  - Clarify Guidance in Topic 820 – Measuring the Fair Value of an Equity Security which has Contractual Restrictions Prohibiting Sale
  - Amend Related Illustrative Example
  - New Disclosures for Equity Securities Subject to Contractual Sale Restrictions

Accounting Standards Update – Cont.

- ASU 2022-03
- Effective Dates
  - Public Business Entities – Years Beginning After 12/15/23
  - ALL Others – Years Beginning After 12/15/24
- Early Adoption Permitted for Interim and Annual Financial Statements that have not yet been Issued or Made Available for Issuance
- These Amendments should be Applied Prospectively for All Entities Except Investment Companies as Defined in Topic 946
- Any Adjustments from the Adoption of this ASU Should be Recognized in Earnings and Disclosed on the Date of Adoption

Accounting Standards Update – Cont.

- ASU 2022-03
- An Entity which Qualifies as an Investment Company under Topic 946 should Apply the Amendments to an Investment in an Equity Security subject to a Contractual Sale Restriction which is Executed or Modified on or After the Date of Adoption

Accounting Standards Update – Cont.

- ASU 2022-04
- Liabilities – Supplier Finance Programs (Subtopic 405-50)
- Disclosure of Supplier Finance Program Obligations
- Issued September 2022
- To Enhance the Transparency of Supplier Finance Programs
- Currently
  - No Explicit Disclosure Requirements in GAAP
  - A Buyer Party May Present these type of Obligations as Accounts Payable or Some Other Line Item on the Balance Sheet

Accounting Standards Update – Cont.

- ASU 2022-04
- Applies to ALL Entities which use Supplier Finance Programs
- Disclosures which Should be made
  - Key Terms of the Agreement
    - Description of Payment Terms
      - Timing of Payments
      - Basis for Determining Timing
    - Assets Pledged as Security or Other Forms of Guarantees Provided

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Accounting Standards Update – Cont.

- ASU 2022-04
- Disclosures which Should be made
  - Obligations the Buyer has Confirmed to the Finance Provider or Intermediary
    - The Outstanding Confirmed Amount as of Year End
    - Where the Obligations are Presented in the Balance Sheet
    - Rollforward of Obligations During the Year
      - The Amounts of Obligations Confirmed
      - The Amount Subsequently Paid

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Accounting Standards Update – Cont.

- ASU 2022-04
- Effective Date(s)
  - Years Beginning After 12/15/22, Except
  - Rollforward Information, Years Beginning After 12/15/23
  - Early Adoption Permitted
  - During Year of Adoption, Information on Key Terms and Balance Sheet Presentation Should be disclosed in Each Interim Period
  - Amendments Should be Applied Retrospectively Except Rollforward which Should be Applied Prospectively

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Auditing Standards Update

- SAS 141
- Amendment to the Effective Dates of SAS Nos. 134-140
- Issued May 2020
- Deferred the Effective Dates of SAS Nos. 134 – 140 from 12/15/20 to 12/15/21

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Auditing Standards Update – Cont.

- SAS 142
- Audit Evidence
- Issued July 2020
- Superseded SAS No. 122
- Explains what Constitutes Audit Evidence
- Auditor's Conclusion on Sufficiency and Appropriateness of Audit Evidence
- Auditor's Judgment About Sufficiency and Appropriateness of Evidence
- Effective for Audits on or After 12/15/22

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Auditing Standards Update – Cont.

- SAS 143
- Auditing Accounting Estimates and Related Disclosures

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Auditing Standards Update – Cont.

- SAS 144
- Amendments to AU-C Sections 501, 540, and 620 Related to the Use of Specialists and the Use of Pricing Information Obtained from External Information Sources
- Issued June 2021

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Auditing Standards Update – Cont.

- SAS 145
- Understanding the Entity and Its Environment and Assessing the Risk of Material Misstatement

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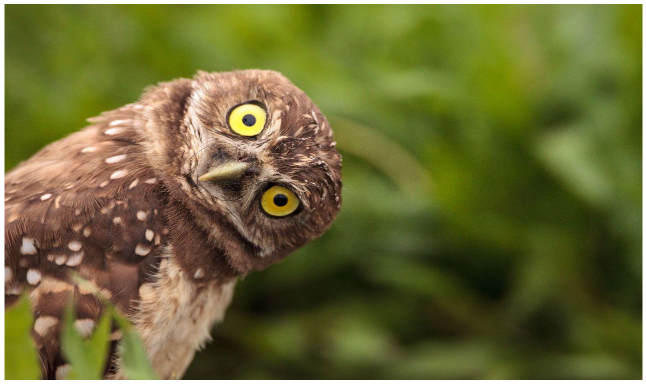
Questions



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