



Route To:

- | | |
|-----------------------------------|--------------------------------|
| <input type="checkbox"/> Partners | <input type="checkbox"/> Staff |
| <input type="checkbox"/> Managers | <input type="checkbox"/> File |

LIST OF SUBSTANTIVE CHANGES AND ADDITIONS

PPC's Guide to Small Business Consulting Engagements

Thirty-third Edition (February 2019)

Highlights of this Edition

The following are some of the important features of the 2019 Edition of *PPC's Guide to Small Business Consulting Engagements*:

- **Consulting Developments.** If you provide consulting services in any of the various areas covered by this *Guide*, you know that the professional, legislative, and regulatory environment affecting consulting services is constantly changing. In addition, forms and references that you use to provide services are frequently updated. This *Guide* keeps you informed about any new rules, forms, and reference material that may affect consulting services and delivers updated discussions on relevant issues.
- **Preparation and Compilation Guidance.** Some consulting engagements involve preparation or compilation of historical or prospective financial information, or compilation of pro forma financial information. For example, practitioners who provide preparation or compilation services as part of business planning, financing, valuation, bankruptcy, business start-up, or cash management services will need to comply with guidance issued by the AICPA's Accounting and Review Services Committee. The discussions and practice aids in your *Guide* include the most recent updates to the preparation and compilation guidance, including discussions on the practitioner's reporting responsibilities for historical and prospective financial information in a business valuation engagement.
- **Consulting Practice Aids.** Because compliance with professional standards and an efficient, yet thorough, engagement are both important in performing your consulting services, we've made sure the practice aids in this *Guide* help you do both. All consulting practice aids are current and geared to provide you with the framework and documentation to carry out efficient consulting engagements.
- **Updated Resource Listings.** This *Guide* provides numerous resource listings relevant to providing consulting services. Those resources enable you to delve more deeply into a topic and stay current on important issues. Lists of resources throughout the *Guide* have been updated to ensure you have the most current source to help you deliver consulting services.

In addition to these featured items, your *Guide* includes the following update items detailed below.

<u>Chapter</u>	<u>Substantive Changes and Additions</u>	<u>Reference</u>
GENERAL	1. Revised and/or streamlined discussions for clarity.	Throughout
	2. Updated references to professional standards.	Throughout
	3. Updated websites.	Throughout
CHAPTER 2 Professional Standards for Consulting Services	1. Added a discussion about a proposed attestation standard.	Section 204
	2. Noted the delayed effective date of the AICPA's revised ethics interpretation on hosting services.	Section 205
	3. Updated the note discussing the revision to the Yellow Book.	Section 205

<u>Chapter</u>	<u>Substantive Changes and Additions</u>	<u>Reference</u>
	4. Updated lists of recently issued, revised, and proposed AICPA professional ethics guidance.	Section 205
	5. Updated the practical consideration discussing the AICPA's new ethics interpretation on hosting services for the revised effective date.	Appendix 2B
	6. Added a practical consideration discussing additional activities to address independence resolution matters.	Appendix 2B
CHAPTER 4 Pre-engagement Planning	1. Added a brief discussion on requests for proposal (RFPs).	Section 403
CHAPTER 6 Workpapers	1. Revised the discussion on electronic workpapers.	Section 605
MULTIPLE CONSULTING SERVICES CHAPTERS	1. Added a practical consideration on addressing the engagement letter.	Appendixes 8A, 9A, 11G, 14B, and 15A.
	2. Revised the practical consideration and accompanying sample language regarding reporting responsibilities for supplementary information.	Appendixes 8A and 9A
	3. Revised the practical consideration regarding significant reservations.	Appendixes 8A, 9A, and 14B
	4. Added language to the engagement letter with instructions about questionnaires and other data-gathering documents.	Appendixes 8A and 9A
	5. Added a practical consideration to the engagement letter with sample language to include when supplementary information will be included with the compiled financial statements.	Appendixes 8A and 9A
CHAPTER 8 Business Planning Services	1. Expanded the discussions on prospective financial information.	Sections 803 and 804
OTHER CHANGES BY CONSULTING SERVICES CHAPTER		
CHAPTER 9 Financing Services	1. Updated for the latest version of the Small Business Administration Personal Financial Statement form.	Exhibit 9-7
CHAPTER 10 Business Valuation Services	1. Added a discussion about recent changes in the AICPA Accredited in Business Valuation (ABV) designation.	Section 1002
	2. Added a discussion on tax preparer penalties.	Section 1002
	3. Expanded the discussion on prospective financial information.	Section 1005
	4. Added a discussion about preconditions for using the discounted and capitalized cash flow methods.	Section 1006
	5. Expanded the discussion about the relationship between discounted and capitalized cash flow rates.	Section 1006
	6. Added a practical consideration to the engagement letter with sample language to use when the client's lawyer will retain the valuation consultant.	Appendix 10A-1

<u>Chapter</u>	<u>Substantive Changes and Additions</u>	<u>Reference</u>
CHAPTER 12 Technology Consulting Services	7. Updated suggested sources of external data.	Appendix 10C
	1. Noted the issuance of an AICPA exposure draft of a proposed revised ethics interpretation, <i>Information System Services</i> .	Section 1200
CHAPTER 13 Litigation Services	1. Discussed the issuance of an exposure draft of a proposed AICPA standard, Statement on Standards for Forensic Services (SSFS) No. 1.	Sections 1300 and 1313
	2. Expanded the discussion on answering questions at depositions.	Section 1304
	3. Expanded the discussions on Rule 703—Bases of an Expert's Opinion Testimony and Rule 1008—Functions of the Court and Jury of the Federal Rules of Evidence.	Section 1310
	4. Expanded the discussion on written reports.	Section 1311
	5. Expanded the discussion on facts or data considered.	Section 1311
	6. Expanded the discussion on publications.	Section 1311
	7. Expanded the discussion on list of other cases.	Section 1311
	8. Expanded the discussion on Rule 34—Producing Documents, Electronically Stored Information, and Tangible Things, or Entering onto Land, for Inspection and Other Purposes of the Federal Rules of Civil Procedure.	Section 1311
CHAPTER 14 Business Start-up Services	1. Expanded the discussion on the various forms of business discussed in the chapter.	Section 1403
	2. Expanded the discussion on liability.	Section 1403
CHAPTER 16 Lease/Buy Analysis Services	1. Expanded the discussion of key changes due to FASB Accounting Standards Update (ASU) 2016-2, <i>Leases (Topic 842)</i> .	Section 1603
	2. Updated the example lease/buy analysis for FASB ASU 2016-2.	Section 1606
CHAPTER 17 Fraud and Internal Control Services	1. Expanded the discussion on who commits fraud.	Section 1701
	2. Updated the note discussing the revision to the Yellow Book.	Section 1707
	3. Expanded and revised the checklist of control activities for Accounts Receivable (and Revenue) for FASB ASC 606, <i>Revenue from Contracts with Customers</i> .	Appendix 17N-2
CHAPTER 19 Providing Controllorship Services	1. Noted the issuance of an AICPA exposure draft of a proposed revised ethics interpretation, <i>Staff Augmentation Arrangements</i> .	Section 1901
	2. Added a new controllership services engagement letter.	Appendix 19A

