

SPECIAL REPORT:

CSRE 2400: The New Review Engagement Standard

When is the Right Time to Train?

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A Clearline Consulting Special Report

Introduction

In this special report we provide strategies and timing recommendations to help firms navigate and complete training for CSRE 2400.

After reading our report, you will:

- Be able to identify the factors that will impact your firm's ability to effectively train and transition to the new standard.
- Know relevant dates and deadlines.
- Understand how to start creating a transition plan.
- Know what resources and support are available to help your firm's transition.

What is CSRE 2400?

CSRE 2400 is the new review engagement standard for historical financial statements and other financial information. This new standard is replacing the current guidance which is over 25 years old and no longer reflects current practices for many firms. It is effective for financial statements with periods ending on or after December 14, 2017.

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Adopting CSRE 2400

The amount of work it will take to adopt the new CSRE 2400 standard depends on whether your firm is currently completing these engagements on a strict standards compliance basis or in a best-practices manner. In either case, there will be a significant change for practitioners from an administrative standpoint. Review engagement templates, whether internally created or based upon third party checklists, will need to be updated. This includes all correspondence, including letters, as well as the new review engagement report.

There are a number of factors that will impact your firm's ability to efficiently train and transition to the new standards, including:

- The experience and knowledge level of staff involved with review engagements.
- The number of review engagements performed by your firm.
- The size and complexity of the clients you serve.
- The timing of the year-end work and the availability of firm resources.

In order to effectively train yourself and your staff on CSRE 2400 and the required changes in a timely fashion, we recommend developing a transition plan.



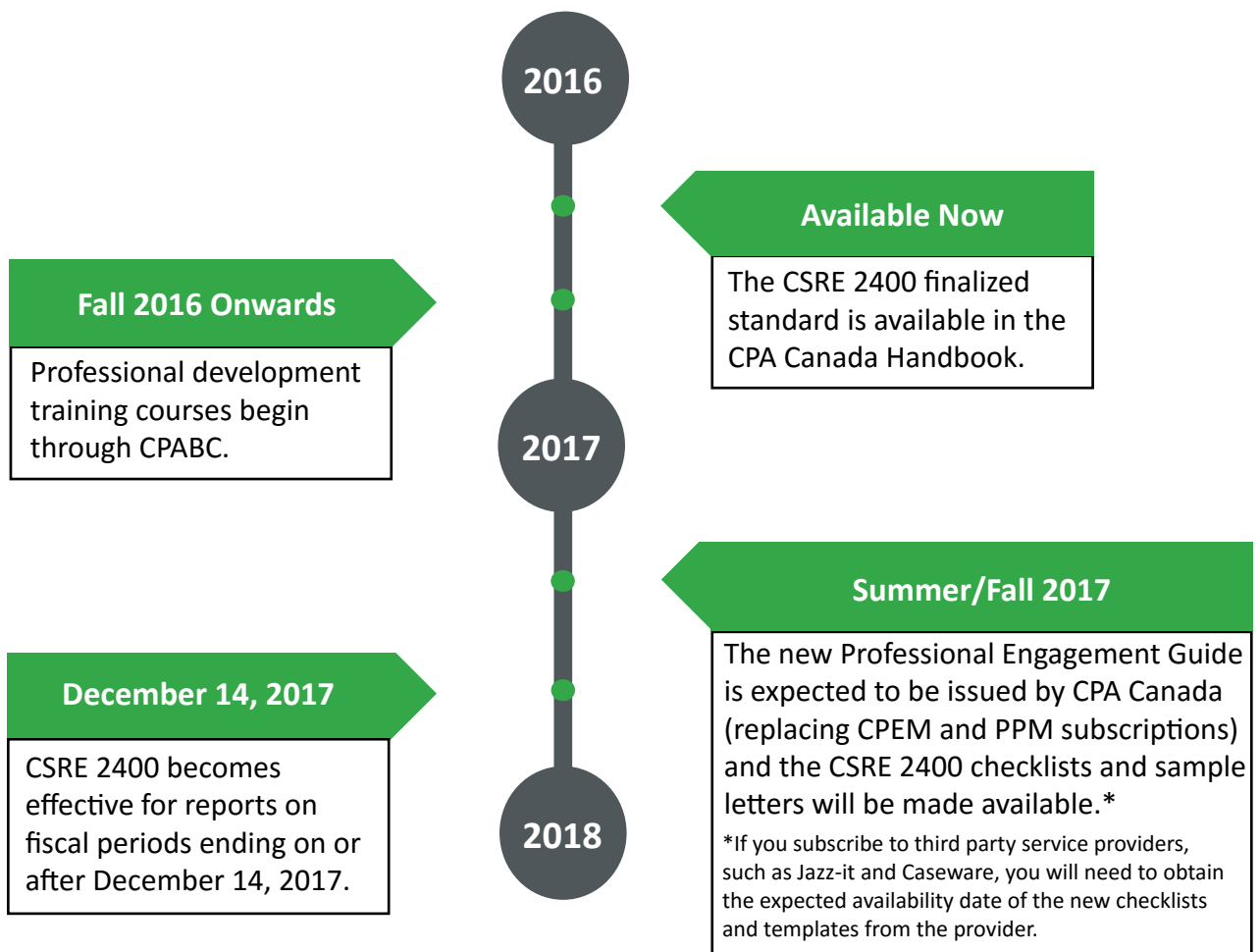
What Needs to be Updated?

Your firm's review engagement templates will need to be updated, including: all correspondence, letters and review engagement reports.



Critical Timing Factors to Consider

The availability of external resources will have a direct impact on your firm's CSRE training and transition plan. There are a few important dates to consider:

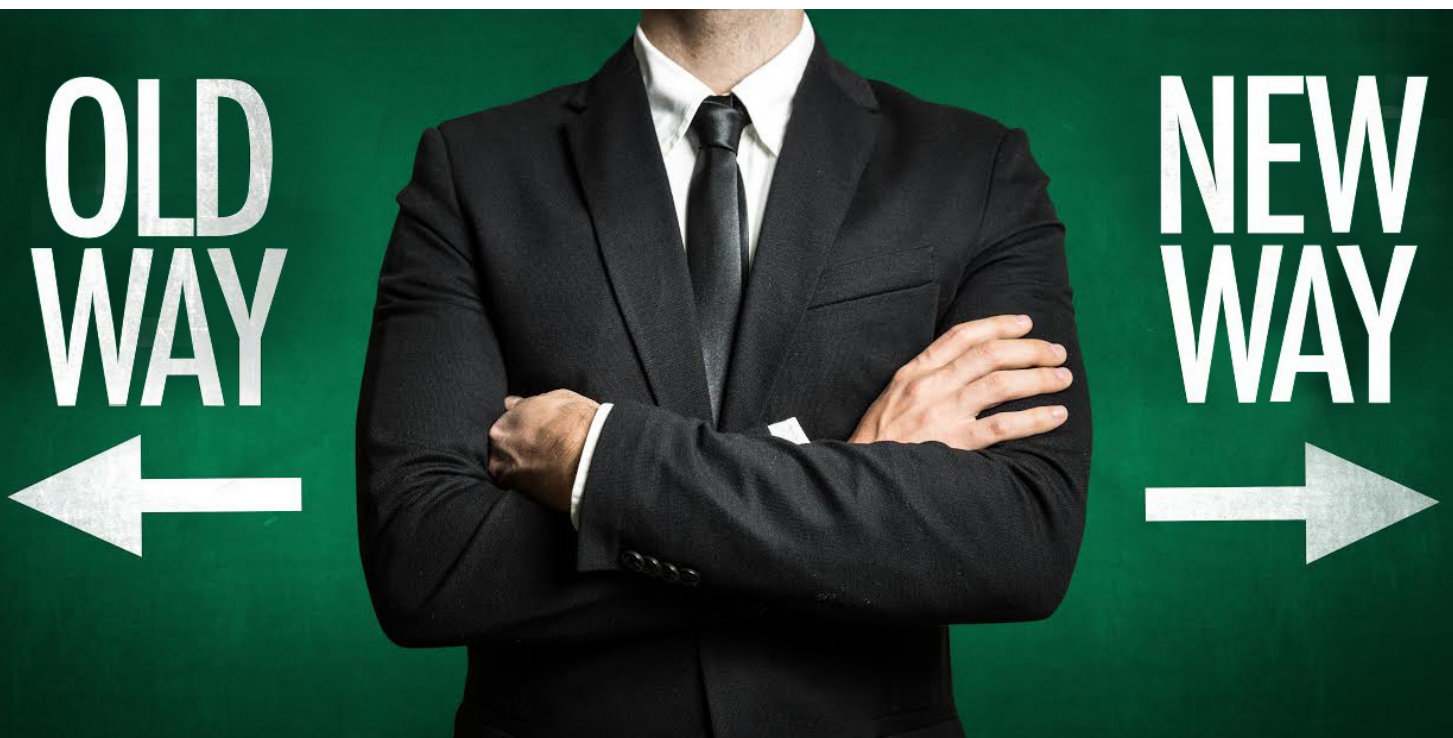


Creating A Transition Plan

Given the effective date of CSRE 2400, the planning and fieldwork for a firm's first engagements under the new standard is likely to begin sometime between February to May 2018. Being tax season, many firms face strains on their resources during this time. As such, we recommend finalizing supporting resources, such as the templated engagement file and training, by January 2018. This means you would ideally start thinking about a transition plan now.

To help you get started, here are some steps to include in your transition plan. While these steps are tailored to meet the needs of small to mid-sized firms, they can be used to inform a transition plan for a sole practitioner as well. How formal the transition plan is will depend on the size of your firm.

1. **Assign:** Assign one person on your team to be responsible for internal resources and engagement templates. Ensure they educate themselves on the new standard.
2. **Review:** Assign one person to review the resources that are available to the firm on the implementation of the new standard and decide which resources will be used in the transition.
3. **Update:** Develop the firm's engagement template and other required resources. This may include supplementing or modifying a third party resource or creating an original template for the firm. Remember, there is no requirement to use checklists in any engagement. The obligation is to meet the requirements of the standards and ensure the documentation is adequate for an experienced CPA to review and reach the same conclusions.
4. **Train:** Complete firm-wide training for everyone involved in, or expected to be involved in, the completion of review engagements over the coming year.
5. **Transition:** Transition current review engagements to the new file template.



Implementing The Transition Plan

The implementation of your firm's transition plan is where inefficiencies may occur. To help ease the process, we recommend establishing a dedicated time to transition review engagement files. Ideally, this task is performed by one or a few staff members. This "all at once" strategy tends to take less time per file than having staff transition each file throughout the year as individual engagements begin.

The best time to complete training and the transition of files will differ for each firm depending on the availability of staff, the resources the firm subscribes to, and the client service points.

Consider for example the firm's policy on when engagement letters are issued. Firms that issue engagement letters for December 2018 year-ends at the completion of the 2017 fiscal year will need to ensure their templates are updated sometime in the spring or summer of 2017.

Resources

For firms that are ready to start the training process and develop the transition plan, there are a number of resources readily available:



- [Audit and Assurance Alert: Engagements to Review Historical Financial Statements \(CSRE 2400\) - Issued by CPA Canada](#)
- [Audit and Assurance Alert: Comparison Between CSRE 2400 and the 8000 Services - Issued by CPA Canada](#)



- CSRE 2400 Engagements to Review Historical Financial Statements Finalized Standard and Related Basis for Conclusions Documents - Available in the CPA Canada Handbook



- Professional Development Courses - Available through Provincial CPA Organizations

How Can Clearline Consulting Help?

Clearline Consulting provides training and consulting services to sole practitioners and small to medium sized public practice firms. Our approach to training is to develop the necessary competencies within your firm. We can:

- Deliver in-house official CPA professional development courses tailored to your client base and firm's needs.
- Provide assistance in the development of a new review engagement template to meet the needs of your staff and the firm's client base.
- Assess a sample of your review engagement files for compliance and efficiency recommendations that can be implemented upon transition to a new engagement template.
- Provide a customized transition plan, including overseeing the completion of the transition of files to the new engagement template for firms with sufficient senior staffing resources.
- Lead the transition of files to the new engagement template for firms with a limited number of engagements and limited staffing resources.



About Clearline Consulting

Clearline Consulting provides practitioners and their staff with the tools, training and advice they need to succeed and build thriving accounting firms. From compliance, file monitoring and audit planning to professional development courses, staff training and customized consulting solutions, our team exists to serve the needs of small to mid-sized public practice firms. Our collaborative, integrated approach means clients have access to and support from knowledgeable people who are in front of the ever-changing standards environment.

For more information about our services and how we can tailor them to meet your needs, please call us directly at 778-375-3101.

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Bridget is a director at Clearline Consulting and also a CPA professional development instructor and consultant to CPABC and CPA Canada. She has over 15 years of experience in public practice with a mid-size firm in Vancouver and as a professional standards advisor with CPABC. Bridget applies her experience to empowering CPA firms and practitioners with technical competencies, professional development, regulatory compliance, and practice management matters.

Tom Gillespie, CPA, CA – Director



Tom has over ten years of dedicated accounting and assurance experience having worked with several public practice firms and as the associate director of practice review with CPABC. Tom provides file monitoring, training, audit/assurance planning and on-going consulting services to CPA firms and practitioners, easing their workload and facilitating their success. In addition to his role at Clearline Consulting, Tom instructs professional development courses with CPABC and also serves as a consultant and advisor to CPABC and CPA Canada.