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**ACCOUNTING & AUDIT**

# AICPA Issues Statement on Accounting and Review Services

SSARS No. 25 converges AR-C section 90, Review of Financial Statements, with International Standard for Review Engagements 2400 (Revised), Engagements to Review Historical Financial Statements.

Feb. 11, 2020



The [American Institute of CPAs \(AICPA\) Accounting and Review Services Committee \(ARSC\)](#) has issued [Statement on Standards for Accounting and Review Services No.](#)

**25, Materiality in a Review of Financial Statements and Adverse Conclusions.** It will amend AR-C sections 60, 70, 80 and 90 in *AICPA Professional Standards*.

“By issuing SSARS 25 it shows our commitment to update these standards to be more aligned with our auditing standards, where appropriate, and the international standards for review engagements,” said Bob Dohrer, CPA, CGMA AICPA Chief Auditor. “While this standard may not result in any significant change in practice for CPAs that have been performing their reviews appropriately, it will decrease diversity in practice.”

SSARS No. 25 converges AR-C section 90, *Review of Financial Statements*, with International Standard for Review Engagements 2400 (Revised), *Engagements to Review Historical Financial Statements*.

The ARSC believes it’s important for the SSARSs literature to be as closely converged with ISRE 2400 (Revised) as possible. This will facilitate the accountant’s ability to perform and report on engagements in accordance with both sets of standards and diminish confusion regarding the level of assurance obtained in accordance with either set of standards.

In addition, SSARS No. 25 also aligns certain concepts with generally accepted auditing standards (GAAS). Even though there are significant differences between an audit engagement and an engagement performed in accordance with SSARSs, there are certain concepts, such as materiality, that are consistent regardless of the level of services performed on the financial statements.

SSARS No. 25 becomes effective for engagements performed in accordance with SSARSs on financial statements for periods ending on or after December 15, 2021. Early implementation is permitted.

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