

AICPA COMPETENCY FRAMEWORK

GOVERNMENTAL AUDITING



ABOUT THE AICPA COMPETENCY FRAMEWORK: GOVERNMENTAL AUDITING

CPAs are expected to maintain a level of competence to meet the profession’s technical and ethical standards and provide valuable services to the public, employers and clients. Competence represents the attainment and maintenance of a level of understanding and knowledge that enables CPAs to render services with facility and acumen. The *AICPA Competency Framework: Governmental Auditing* is designed to help CPAs understand the knowledge and skills necessary to perform high-quality Single Audits, Yellow Book audits and audits of state and local government financial statements.

The framework is underpinned by the need for objectivity, integrity and ethical behavior and includes a commitment to continuously acquire new skills and knowledge.

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AICPA COMPETENCY FRAMEWORK: GOVERNMENTAL AUDITING OUTLINE

The following outline represents technical competencies necessary for performing high-quality Single Audits, Yellow Book audits and audits of state and local government financial statements. The technical competencies are organized into five core skill sets.

CLIENT ACCEPTANCE	The determination to accept or continue an engagement
ENGAGEMENT PLANNING	The planning of the engagement based on client needs and engagement objectives and scope
ENGAGEMENT ANALYSIS OR TESTING	The analyses and/or tests performed to meet engagement objectives
CONCLUDING THE ENGAGEMENT	The satisfaction of engagement deliverables including concluding, recommending and reporting
GUIDING PRINCIPLES	The adherence to governing requirements, applicable standards or guiding principles within the engagement

The AICPA Competency Framework: Governmental Auditing identifies specific skills within each core skill set. Skills are further defined as foundational, intermediate, advanced and expert.

CLIENT ACCEPTANCE — CLIENT ACCEPTANCE OR CONTINUATION

The consideration of whether to accept or continue a client engagement, in accordance with firm policies and procedures and applicable independence requirements

FOUNDATIONAL

- Aware of firm policies and procedures related to acceptance and continuance of client relationships and specific engagements and aware there can be client and engagement factors that make engagements more risky to accept

INTERMEDIATE

- Understands firm policies and procedures related to the acceptance and continuance of client relationships and specific engagements and recognizes risk factors that may pose additional engagement risk for the firm

ADVANCED

- Evaluates the criteria for deciding whether to accept or continue a client relationship and the specific engagement, in accordance with firm policies and procedures

EXPERT

- Evaluates and concludes on the decision to accept or continue a client relationship and the specific engagement, in accordance with firm policies and procedures

- Aware of and follows applicable independence and ethical requirements including any engagement specific independence requirements (e.g., GAGAS and Single Audit independence requirements) including documentation thereof

- Understands applicable independence and other ethical requirements and applies them to the engagement including any engagement specific independence requirements (e.g., GAGAS and Single Audit independence requirements) including documentation thereof

- Evaluates unique applicable independence and other ethical requirements associated with the engagement and recommends procedures to comply including any engagement specific independence requirements (e.g., GAGAS and Single Audit independence requirements) including documentation thereof

- Determines unique applicable independence and other ethical requirements associated with the engagement are addressed including any engagement specific independence requirements (e.g., GAGAS and Single Audit independence requirements) including documentation thereof

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CLIENT ACCEPTANCE — CLIENT ACCEPTANCE OR CONTINUATION *(Continued)*

The consideration of whether to accept or continue a client engagement, in accordance with firm policies and procedures and applicable independence requirements

FOUNDATIONAL

- Aware of the firm's client base and engagements and relationships between other clients and engagements that affect the current engagement and understands factors that give rise to conflicts of interest

INTERMEDIATE

- Understands how current client may affect other clients or engagements of the firm and understands the nature and types of conflicts that may arise based on the nature of the engagement, the client or client industry

ADVANCED

- Evaluates potential conflicts of interest for engagement and other engagements of the firm and proposes engagement scope and/or procedures to address
- Prepares engagement proposals in accordance with applicable governing requirements, standards or guiding principles

EXPERT

- Defines the scope of engagements that will minimize or, when required, avoid conflicts of interest and establish rules of engagement to manage conflicts of interest in complex relationship structures
- Evaluates and approves engagement proposals

ENGAGEMENT PLANNING — CLIENT ENVIRONMENT

The understanding and evaluation of the environment of the client (e.g., legal, regulatory, economic/market, political, etc.)

FOUNDATIONAL	INTERMEDIATE	ADVANCED	EXPERT
<ul style="list-style-type: none">• Demonstrates knowledge of the environment of the client	<ul style="list-style-type: none">• Understands environmental similarities and differences between the client and other entities in the industry	<ul style="list-style-type: none">• Evaluates how the client's environment affects the client and the engagement	<ul style="list-style-type: none">• Determines how to respond to unmitigated concerns about the effects of the environment on the client or engagement
<ul style="list-style-type: none">• Demonstrates knowledge of the industry in which the client operates	<ul style="list-style-type: none">• Understands similarities and differences between the client and other entities in the industry as well as understands the risks unique to the industry	<ul style="list-style-type: none">• Applies knowledge of the industry to the evaluation of the client and the engagement and evaluates client response to unique industry risks	<ul style="list-style-type: none">• Develops strategies for the engagement to address unique industry risks and issues and when appropriate for the engagement, develops recommendations about the client's business based on understanding of client's industry and similarities and differences between the client and other entities in the industry
<ul style="list-style-type: none">• Recognizes the differences between the types of federal awards (federal financial assistance and federal cost-reimbursement contracts) that auditees receive directly from federal awarding agencies or indirectly from pass-through entities and related payment methods in a Single Audit compliance audit *	<ul style="list-style-type: none">• Understands the types of federal awards (federal assistance and federal-cost reimbursement contracts) that auditees receive directly from federal awarding agencies or indirectly from pass-through entities and related payment methods in a Single Audit compliance audit *	<ul style="list-style-type: none">• Evaluates how the types of federal awards (federal assistance and federal-cost reimbursement contracts) that auditees receive directly from federal awarding agencies or indirectly from pass-through entities and related payment methods affect the client and the engagement in a Single Audit compliance audit *	<ul style="list-style-type: none">• Evaluates complex issues involving how the types of federal awards (federal assistance and federal-cost reimbursement contracts) that auditees receive directly from federal awarding agencies or indirectly from pass-through entities and related payment methods affect the client and the engagement in a Single Audit compliance audit *

*These proficiencies are only applicable to Single Audit engagements.

ENGAGEMENT PLANNING — CLIENT INTERNAL ENVIRONMENT

The understanding and evaluation of the client's internal environment, including, when applicable, the client's system of internal control

FOUNDATIONAL	INTERMEDIATE	ADVANCED	EXPERT
<ul style="list-style-type: none">• Recognizes common areas of complexity for the client, including complex transactions and applicable governing requirements	<ul style="list-style-type: none">• Understands common areas of complexity for the client, including complex transactions and applies relevant governing requirements	<ul style="list-style-type: none">• Analyzes client's complex transactions and evaluates appropriate and best application of applicable governing requirements	<ul style="list-style-type: none">• As permitted, develops solutions and advises client on how to execute complex transactions considering applicable governing requirements and which transactions the client undertakes to best address client needs and engagement objectives
<ul style="list-style-type: none">• Recognizes the organizational structure, business processes, operations and systems of the client	<ul style="list-style-type: none">• Understands organizational structures, business processes, operations and systems and how they interplay with one another in the client	<ul style="list-style-type: none">• Analyzes and evaluates client organizational structures, business processes, operations and systems; makes recommendations when appropriate for the engagement	<ul style="list-style-type: none">• Evaluates and identifies changes that would improve the client's organizational structures, business processes, operations and systems; makes recommendations when appropriate for the engagement
<ul style="list-style-type: none">• Aware of other entities involved in performance of processes affecting the client	<ul style="list-style-type: none">• Understands responsibilities of other entities involved in performance of processes affecting the client	<ul style="list-style-type: none">• Evaluates responsibilities of other entities involved in performance of processes affecting the client and considers the effect on the client engagement	<ul style="list-style-type: none">• When appropriate or permitted, recommends changes to relationships with other entities that are involved in performance of processes affecting the client

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ENGAGEMENT PLANNING — CLIENT INTERNAL ENVIRONMENT *(Continued)*

The understanding and evaluation of the client’s internal environment, including, when applicable, the client’s system of internal control

FOUNDATIONAL

- Recognizes client’s systems of internal controls including internal control activities and any controls residing at third parties, as appropriate

INTERMEDIATE

- Understands and tests client’s system of internal control, including internal control activities and controls residing at third parties, as appropriate

ADVANCED

- Compares client’s system of internal control including internal control activities and internal controls residing at a third party, against internal control frameworks (e.g. COSO Internal Control Integrated Framework) and compares to systems of internal control from other organizations to identify unique engagement requirements and/or gaps in internal control; and makes recommendations when appropriate for the engagement

EXPERT

- Reviews gaps in client’s system of internal control including internal control activities and controls residing at third parties, evaluates impact of gaps on engagement, and, when appropriate, recommends modifications

- Recognizes that the nature and types of federal awards (federal financial assistance and federal cost-reimbursement contracts) that auditees receive directly from federal awarding agencies or indirectly from pass-through entities and related payment methods received by auditees varies in a Single Audit compliance audit *

- Understands the nature and types of federal awards (e.g., federal financial assistance, federal cost-reimbursement contracts) that auditees receive directly from federal awarding agencies or indirectly from pass-through entities and related payment methods in a Single Audit compliance audit *

- Analyzes and evaluates the nature and types of federal awards (e.g., federal financial assistance, federal cost-reimbursement contracts) that auditees receive directly from federal awarding agencies or indirectly from pass-through entities and related payment methods in a Single Audit compliance audit *

- Evaluates complex issues involving the nature and types of federal awards (e.g., federal financial assistance, federal cost-reimbursement contracts) that auditees receive directly from federal awarding agencies or indirectly from pass-through entities and related payment methods in a Single Audit compliance audit *

*These proficiencies are only applicable to Single Audit engagements.

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ENGAGEMENT PLANNING — CLIENT INTERNAL ENVIRONMENT *(Continued)*

The understanding and evaluation of the client’s internal environment, including, when applicable, the client’s system of internal control

FOUNDATIONAL	INTERMEDIATE	ADVANCED	EXPERT
<ul style="list-style-type: none"> Recognizes key processes and operations around federal funds received and expended, including parties involved in the federal funds reporting process (e.g., programmatic staff, finance staff, etc.) in a Single Audit compliance audit * 	<ul style="list-style-type: none"> Understands the key processes and operations around federal funds received and expended, including parties involved in the federal funds reporting process, including programmatic staff and finance staff, in a Single Audit compliance audit * 	<ul style="list-style-type: none"> Analyzes and evaluates key processes and operations around federal funds received and expended and parties involved in the federal funds reporting process, including programmatic staff and finance staff, in a Single Audit compliance audit * 	<ul style="list-style-type: none"> Evaluates complex issues involving key processes and operations around federal funds received and expended and parties involved in the federal funds reporting process, including programmatic staff and finance staff, in a Single Audit compliance audit *
<ul style="list-style-type: none"> Recognizes the basis for determining when federal awards are expended in a Single Audit compliance audit * 	<ul style="list-style-type: none"> Understands the basis for determining when federal award are expended in a Single Audit compliance audit * 	<ul style="list-style-type: none"> Analyzes and evaluates the basis for determining when federal awards are expended in a Single Audit compliance audit * 	<ul style="list-style-type: none"> Evaluates complex issues involving the basis for determining when federal awards are expended in a Single Audit compliance audit *
<ul style="list-style-type: none"> Recognizes there are specific communication requirements with those charged with governance and that the structure may differ from the private sector in a governmental financial statement audit † 	<ul style="list-style-type: none"> Understands the structure and operational aspects of “those charged with governance: in the governmental environment and the related required communications in a governmental financial statement audit † 	<ul style="list-style-type: none"> Analyzes and evaluates how the structure and operational aspects of those charged with governance affect how the required communications will be made in a governmental financial statement audit † 	<ul style="list-style-type: none"> Evaluates and approves final communications with those charged with governance in a governmental financial statement audit †

*These proficiencies are only applicable to Single Audit engagements.

†These proficiencies are only applicable to governmental financial statement audit engagements.

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ENGAGEMENT PLANNING — CLIENT INTERNAL ENVIRONMENT *(Continued)*

The understanding and evaluation of the client's internal environment, including, when applicable, the client's system of internal control

FOUNDATIONAL

- Recognizes that there are unique requirements for financial statement presentation required by GAAP, including the requirements for government-wide financial statements, fund financial statements, presenting major funds individually and nonmajor funds in the aggregate, notes to the financial statements and required supplementary information, as well as component units in a governmental financial statement audit [†]

INTERMEDIATE

- Understands that there are unique requirements for financial statement presentation required by GAAP, including the requirements for government-wide financial statements, fund financial statements, presenting major funds individually and nonmajor funds in the aggregate, notes to the financial statements and required supplementary information, as well as component units in a governmental financial statement audit [†]

ADVANCED

- Analyzes and evaluates unique requirements for financial statement presentation required by GAAP, including the requirements for government-wide financial statements, fund financial statements, presenting major funds individually and nonmajor funds in the aggregate, notes to the financial statements and required supplementary information, as well as component units in a governmental financial statement audit [†]

EXPERT

- Evaluates complex issues involving unique requirements for financial statement presentation required by GAAP, including the requirements for government-wide financial statements, fund financial statements, presenting major funds individually and nonmajor funds in the aggregate, notes to the financial statements and required supplementary information, as well as component units in a governmental financial statement audit [†]

[†]These proficiencies are only applicable to governmental financial statement audit engagements.

ENGAGEMENT PLANNING — CLIENT EVENTS

The understanding and evaluation of the client's recent or planned events and strategies that affect the engagement (e.g. new federal awards received)

FOUNDATIONAL

- Recognizes client's recent or planned events and strategies that affect the engagement

INTERMEDIATE

- Understands client's recent or planned events and strategies that affect the engagement

ADVANCED

- Analyzes and evaluates how client's recent or planned events and strategies affect the client and the engagement

EXPERT

- When appropriate or permitted, evaluates and provides options to clients so they can modify planned events and strategies to achieve client objectives

ENGAGEMENT PLANNING — CLIENT RISK

The identification and evaluation of elements of risk faced by the client and applicable to the engagement (e.g., economic, market, accounting, key stakeholders, financial reporting, compliance, fraud, etc.)

FOUNDATIONAL

- Recognizes risk management concepts and is aware of elements of risks faced by the client and applicable to the engagement

INTERMEDIATE

- Understands the risk management culture and/or philosophy of the client and the elements of risks faced by the client and applicable to the engagement

ADVANCED

- Identifies the implications of the client's level of risk, risk tolerance, and approach to managing risk and evaluates and prioritizes the elements of risks faced by the client and applicable to the engagement; and makes recommendations when appropriate for the engagement

EXPERT

- Evaluates and identifies changes that would improve the client's risk management processes; identifies methods to mitigate risk; and makes recommendations when appropriate for the engagement

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- Aware of the accounting and financial statements of the client and other relevant entities (e.g., non-individuals) to identify risks unique to the client

- Understands the accounting and financial statements of the client and other relevant entities (e.g., non-individuals) to identify risks unique to the client

- Analyzes the accounting and financial statements of the client and other relevant entities (e.g., non-individuals) to determine the effect on the engagement; makes recommendations to client as applicable

- Evaluates the accounting and financial statements of the client and other relevant entities (e.g., non-individuals) to determine the effect on the engagement; makes recommendations to client as applicable

ENGAGEMENT PLANNING — ENGAGEMENT OBJECTIVES AND SCOPE

The consideration of engagement objectives and scope including limitations, type of service, timing, applicable due dates, deliverables, filing or reporting requirements including intended end users and fees

FOUNDATIONAL	INTERMEDIATE	ADVANCED	EXPERT
<ul style="list-style-type: none"> Aware of standards, framework or guidance to identify engagement scope parameters 	<ul style="list-style-type: none"> Applies understanding of standards, framework or guidance to identify engagement scope parameters 	<ul style="list-style-type: none"> Analyzes standards, frameworks or guidance to identify engagement scope parameters 	<ul style="list-style-type: none"> Evaluates standards, framework, or guidance to identify engagement scope parameters and establishes and/or approves engagement scope parameters
<ul style="list-style-type: none"> Aware of the types of services and how the services differ (e.g., subject matters addressed, limitations) 	<ul style="list-style-type: none"> Identifies unique scope, deliverable or independence requirements based on type of engagement and identifies effort that is out of scope 	<ul style="list-style-type: none"> Evaluates and resolves any issues associated with unique scope, deliverable or independence requirements associated with the engagement 	<ul style="list-style-type: none"> Modifies execution of engagement as necessary
<ul style="list-style-type: none"> Aware of the risks specifically affecting engagement (e.g., material non-compliance risk, fraud risk, misstatement) 	<ul style="list-style-type: none"> Defines risks specifically affecting engagement (e.g., material non-compliance risk, fraud risk, misstatement) 	<ul style="list-style-type: none"> Evaluates determination of risks and identifies scope and approach effect (e.g., risk mitigation procedures) 	<ul style="list-style-type: none"> Evaluates and concludes on sufficiency of risk mitigation given risk profile and requirements
<ul style="list-style-type: none"> Aware of the objectives, scope including limitations, type of service, timing, deliverables, applicable due dates and end users of engagements as they relate to assigned tasks 	<ul style="list-style-type: none"> Understands the objectives, scope including limitations, type of service, timing, deliverables, applicable due dates and intended end users of engagements 	<ul style="list-style-type: none"> Evaluates and prioritizes the objectives, scope including limitations, type of service, timing, deliverables, applicable due dates and end users of engagements 	<ul style="list-style-type: none"> Plans and ensures the engagement is executed to meet objectives including scope limitations, type of service, timing, deliverables, applicable due dates and end user considerations

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ENGAGEMENT PLANNING — ENGAGEMENT OBJECTIVES AND SCOPE *(Continued)*

The consideration of engagement objectives and scope including limitations, type of service, timing, applicable due dates, deliverables, filing or reporting requirements including intended end users and fees

FOUNDATIONAL	INTERMEDIATE	ADVANCED	EXPERT
<ul style="list-style-type: none"> Recognizes basic client filing reporting requirements (e.g., financial, compliance, law or regulation, tax) including intended end users of reports 	<ul style="list-style-type: none"> Understands basic client filing or reporting requirements (e.g., financial, compliance, law or regulation, tax) including intended end users of reports 	<ul style="list-style-type: none"> Analyzes and evaluates client's filing or reporting requirements (e.g., financial, compliance, law or regulation, tax) including intended end users of reports and additional filing or reporting requirements triggered by the presence of particular factors 	<ul style="list-style-type: none"> Analyzes and evaluates client's complex filing or reporting requirements (e.g., financial, compliance, law or regulation, tax) including intended end users of reports and additional risks triggered by the presence (or absence) of particular factors (e.g., loss of exempt tax status)
<ul style="list-style-type: none"> Recognizes there are factors that could trigger additional auditing, filing or reporting requirements (e.g., GAGAS and Single Audit compliance audit) 	<ul style="list-style-type: none"> Understands that there are factors that could trigger additional auditing, filing or reporting requirements (e.g., GAGAS and Single Audit compliance audit) 	<ul style="list-style-type: none"> Analyzes the effect of additional auditing, filing or reporting requirements on engagement planning (e.g., GAGAS and Single Audit compliance audit) 	<ul style="list-style-type: none"> Evaluates impact of additional auditing, filing or reporting requirements (e.g., GAGAS and Single Audit compliance audit) and approves the engagement approach to address the identified requirements
<ul style="list-style-type: none"> Recognizes the scope of the entity being audited in a Single Audit compliance audit (e.g., the entire entity, a component unit, a department, etc.) in the audit plan * 	<ul style="list-style-type: none"> Applies understanding of the scope of the entity being audited in a Single Audit compliance audit (e.g., the entire entity, a component unit, a department, etc.) in the audit plan * 	<ul style="list-style-type: none"> Evaluates the scope of the entity being audited in a Single Audit compliance audit (e.g., the entire entity, a component unit, a department, etc.) in the audit plan * 	<ul style="list-style-type: none"> Approves the audit plan that considers the scope of the entity being audited in a Single Audit compliance audit (e.g., the entire entity, a component unit, a department, etc.) *

*These proficiencies are only applicable to Single Audit engagements.

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ENGAGEMENT PLANNING — ENGAGEMENT OBJECTIVES AND SCOPE *(Continued)*

The consideration of engagement objectives and scope including limitations, type of service, timing, applicable due dates, deliverables, filing or reporting requirements including intended end users and fees

FOUNDATIONAL	INTERMEDIATE	ADVANCED	EXPERT
<ul style="list-style-type: none"> Recognizes the basis for determining when federal awards are expended in the audit plan of a Single Audit compliance audit * 	<ul style="list-style-type: none"> Applies understanding of the basis for determining when federal awards are expended in the audit plan of a Single Audit compliance audit * 	<ul style="list-style-type: none"> Evaluates the basis for determining when federal awards are expended in the audit plan of a Single Audit compliance audit * 	<ul style="list-style-type: none"> Approves the audit plan that considers the basis for determining when federal awards are expended in a Single Audit compliance audit *
<ul style="list-style-type: none"> Recognizes the major sections and focus areas of the OMB Compliance Supplement in performing a Single Audit compliance audit * 	<ul style="list-style-type: none"> Understands the OMB Compliance Supplement and its intended use in performing a Single Audit compliance audit * 	<ul style="list-style-type: none"> Evaluates the use of the OMB Compliance Supplement for appropriateness in performing a Single Audit compliance audit * 	<ul style="list-style-type: none"> Evaluates complex issues regarding the use of the OMB Compliance Supplement for appropriateness in performing a Single Audit compliance audit *
<ul style="list-style-type: none"> Recognizes a Single Audit compliance audit is planned to properly identify (1) major programs to be tested and (2) direct and material compliance requirements, including the requirements in the OMB Compliance Supplement * 	<ul style="list-style-type: none"> Plans a Single Audit compliance audit that properly identifies (1) major programs to be tested and (2) direct and material compliance requirements, including the requirements in the OMB Compliance Supplement * 	<ul style="list-style-type: none"> Evaluates the engagement plan for a Single Audit compliance audit that properly identifies (1) major programs to be tested and (2) direct and material compliance requirements, including the requirements in the OMB Compliance Supplement * 	<ul style="list-style-type: none"> Approves the engagement plan for a Single Audit compliance audit that properly identifies (1) major programs to be tested and (2) direct and material compliance requirements, including the requirements in the OMB Compliance Supplement *
<ul style="list-style-type: none"> Recognizes the Single Audit compliance audit requirements related to internal control over compliance for each major program in the audit plan * 	<ul style="list-style-type: none"> Understands the Single Audit compliance audit requirements related to internal control over compliance for each major program in developing the audit plan * 	<ul style="list-style-type: none"> Evaluates and validates the Single Audit compliance audit requirements related to internal control over compliance for each major program in the audit plan * 	<ul style="list-style-type: none"> Approves the audit plan which properly considers the Single Audit compliance audit requirements related to internal control over compliance for each major program *

*These proficiencies are only applicable to Single Audit engagements.

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ENGAGEMENT PLANNING — ENGAGEMENT OBJECTIVES AND SCOPE *(Continued)*

The consideration of engagement objectives and scope including limitations, type of service, timing, applicable due dates, deliverables, filing or reporting requirements including intended end users and fees

FOUNDATIONAL	INTERMEDIATE	ADVANCED	EXPERT
<ul style="list-style-type: none"> Understands the concept of materiality as it relates to each major program in a Single Audit compliance audit * 	<ul style="list-style-type: none"> Applies understanding of materiality considerations relevant to each major program in a Single Audit compliance audit * 	<ul style="list-style-type: none"> Evaluates and validates materiality determination and considerations relevant to each major program in a Single Audit compliance audit * 	<ul style="list-style-type: none"> Approves determination of materiality and considerations relevant to each major program in a Single Audit compliance audit *
<ul style="list-style-type: none"> Recognizes the primary users of the Schedule of Expenditures of Federal Awards compared to the primary users of the auditee's financial statements in a Single Audit compliance audit * 	<ul style="list-style-type: none"> Applies understanding of the primary users of the Schedule of Expenditures of Federal Awards compared to the primary users of the auditee's financial statements in planning a Single Audit compliance audit * 	<ul style="list-style-type: none"> Evaluates sufficiency of the audit plan based on understanding of the primary users of the Schedule of Expenditures of Federal Awards compared to the primary users of the auditee's financial statements in planning a Single Audit compliance audit * 	<ul style="list-style-type: none"> Approves the audit plan which considers the primary users of the Schedule of Expenditures of Federal Awards compared to the primary users of the auditee's financial statements *
<ul style="list-style-type: none"> Recognizes the required content of the Schedule of Expenditures of Federal Awards in a Single Audit compliance audit * 	<ul style="list-style-type: none"> Applies understanding of the content of the Schedule of Expenditures of Federal Awards in planning a Single Audit compliance audit * 	<ul style="list-style-type: none"> Evaluates sufficiency of the audit plan based on an understanding of the content of the Schedule of Expenditures of Federal Awards in a Single Audit compliance audit * 	<ul style="list-style-type: none"> Approves the audit plan which considers the content of the Schedule of Expenditures of Federal Awards in a Single Audit compliance audit *
<ul style="list-style-type: none"> Recognizes the differing nature of opinion audits and related material considerations in the scope of a governmental financial statement audit † 	<ul style="list-style-type: none"> Applies understanding of opinion audits and related material considerations to the engagement scope and approach in a governmental financial statement audit † 	<ul style="list-style-type: none"> Evaluates and validates determination of scope and approach in a governmental financial statement audit † 	<ul style="list-style-type: none"> Approves determination of scope and approach in a governmental financial statement audit †

*These proficiencies are only applicable to Single Audit engagements.

†These proficiencies are only applicable to governmental financial statement audit engagements.

ENGAGEMENT PLANNING — ROLES AND RESPONSIBILITIES

The definition of roles and responsibilities of the firm, client, third parties and/or specialists with respect to the engagement

FOUNDATIONAL	INTERMEDIATE	ADVANCED	EXPERT
<ul style="list-style-type: none"> Aware of individuals/entities that affect the engagement (firm, client, third parties, specialists, etc.) 	<ul style="list-style-type: none"> Understands responsibilities of firm, third parties, and/or specialists that affect the engagement 	<ul style="list-style-type: none"> Evaluates how firm, client, third parties and specialists execute defined responsibilities and the affect of execution issues on the engagement 	<ul style="list-style-type: none"> Establishes firm, client, third parties and/or specialist responsibilities authorizing specialist/expert support as needed
<ul style="list-style-type: none"> Recognizes when and what to communicate with client, those charged with governance, third parties and/or specialists when planning the engagement 	<ul style="list-style-type: none"> Understands when and what to communicate with client, those charged with governance, third parties and/or specialists when planning the engagement 	<ul style="list-style-type: none"> Creates and manages communications with client, those charged with governance, third parties and/or specialists when planning the engagement 	<ul style="list-style-type: none"> Approves communications with client, those charged with governance, third parties and/or specialists when planning the engagement
<ul style="list-style-type: none"> Recognizes that the work of others is being utilized in the engagement 	<ul style="list-style-type: none"> Identifies whether, in which areas, and to what extent to use the work of others with respect to the engagement 	<ul style="list-style-type: none"> Evaluates in which areas, and to what extent to use the work of others with respect to the engagement 	<ul style="list-style-type: none"> Approves whether, in which areas, and to what extent to use the work of others with respect to the engagement
<ul style="list-style-type: none"> Aware of the potential need to communicate with grantor agencies including pass-through entities, federal or state auditors or other oversight entities when planning a GAGAS or Single Audit compliance audit † 	<ul style="list-style-type: none"> Understands when it may be beneficial and/or necessary to communicate with grantor agencies including pass-through entities, federal or state auditors or other oversight entities when planning a GAGAS or Single Audit compliance audit † 	<ul style="list-style-type: none"> Creates and manages communications with grantor agencies including pass-through entities, federal or state auditors or other oversight entities in a GAGAS or Single Audit compliance audit † 	<ul style="list-style-type: none"> Creates and manages complex communications with grantor agencies including pass-through entities, federal or state auditors or other oversight entities in a GAGAS or Single Audit compliance audit †

† These proficiencies do not apply to governmental financial statement audit engagements.

ENGAGEMENT PLANNING — ENGAGEMENT RISK

The assessment of engagement risks and planning of necessary responses

FOUNDATIONAL	INTERMEDIATE	ADVANCED	EXPERT
<ul style="list-style-type: none">Recognizes engagement risks and the implications of any noted compliance issues	<ul style="list-style-type: none">Identifies engagement risks, understands the relationship between risks, and evaluates the affect of compliance issues	<ul style="list-style-type: none">Assesses and categorizes engagement risks including unresolved compliance issues	<ul style="list-style-type: none">Approves strategies to mitigate engagement risks, including unresolved compliance issues
<ul style="list-style-type: none">Recognizes limitations of own risk knowledge and acts within those limitations when interacting with client	<ul style="list-style-type: none">Identifies specific factors or aspects of engagement risks requiring additional scrutiny because of the nature or scope of the engagement	<ul style="list-style-type: none">Recommends and develops strategies to address engagement risk including specific factors or aspects of engagement risks requiring additional scrutiny	<ul style="list-style-type: none">Approves strategies to address and/or mitigate engagement risks including specific factors or aspects of engagement risks requiring additional scrutiny
<ul style="list-style-type: none">Recognizes the challenges and/or risks in evaluating third-party information or processes (e.g., SOC1 reports, actuarial reports, etc.)	<ul style="list-style-type: none">Understands the challenges and/or risks associated with third-party information or processes (e.g., SOC1 reports, actuarial reports, etc.)	<ul style="list-style-type: none">Recommends strategies and procedures to address challenges and/or risks with third-party information or processes (e.g., SOC1 reports, actuarial reports, etc.)	<ul style="list-style-type: none">Approves strategies and procedures to address challenges and/or risks with third-party information or processes (e.g., SOC1 reports, actuarial reports, etc.)
<ul style="list-style-type: none">Recognizes the risk of material misstatement, whether due to fraud or error [§]	<ul style="list-style-type: none">Identifies the risk of material misstatement, whether due to fraud or error [§]	<ul style="list-style-type: none">Assesses the risk of material misstatement, whether due to fraud or error [§]	<ul style="list-style-type: none">Approves strategies to address the risk of material misstatement, whether due to fraud or error [§]

[§]These proficiencies are not applicable to Single Audit engagements.

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ENGAGEMENT PLANNING — ENGAGEMENT RISK *(Continued)*

The assessment of engagement risks and planning of necessary responses

FOUNDATIONAL	INTERMEDIATE	ADVANCED	EXPERT
<ul style="list-style-type: none">• Understands that GAGAS or Single Audit compliance audit reports and engagement files can be selected for review by cognizant or oversight agencies ‡	<ul style="list-style-type: none">• Understands the risk associated with GAGAS or Single Audit compliance audit reports and engagement files being selected for review by cognizant or oversight agencies and plans appropriately ‡	<ul style="list-style-type: none">• Evaluates sufficiency of engagement planning and documentation considering risk of GAGAS or Single Audit compliance audit reports and engagement files being selected for review by cognizant or oversight agencies ‡	<ul style="list-style-type: none">• Approves sufficiency of engagement planning and documentation considering risk of GAGAS or Single Audit compliance audit reports and engagement files being selected for review by cognizant or oversight agencies ‡
	<ul style="list-style-type: none">• Understands and applies the requirements and considerations in determining if the auditee is a low-risk auditee in planning a Single Audit compliance audit *	<ul style="list-style-type: none">• Evaluates and analyzes the basis and conclusions for determining if an auditee is a low-risk auditee in planning a Single Audit compliance audit *	<ul style="list-style-type: none">• Approves the basis and conclusions for determining if an auditee is a low-risk auditee in planning a Single Audit compliance audit *
	<ul style="list-style-type: none">• Understands the requirements and considerations in performing a risk-based approach to determine which federal programs are major programs including determination of Type A and B programs and identification of low-risk Type A and high-risk Type B programs in planning a Single Audit compliance audit *	<ul style="list-style-type: none">• Evaluates and analyzes the requirements and considerations in performing a risk-based approach to determine which federal programs are major programs including determination of Type A and B programs and identification of low-risk Type A and high-risk Type B programs in planning a Single Audit compliance audit *	<ul style="list-style-type: none">• Approves the audit plan which considers the requirements and considerations in performing a risk-based approach to determine which federal programs are major programs including determination of Type A and B programs and identification of low-risk Type A and high-risk Type B programs in a Single Audit compliance audit *

*These proficiencies are only applicable to Single Audit engagements.

‡These proficiencies do not apply to governmental financial statement audit engagements.

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ENGAGEMENT PLANNING — ENGAGEMENT RISK *(Continued)*

The assessment of engagement risks and planning of necessary responses

FOUNDATIONAL	INTERMEDIATE	ADVANCED	EXPERT
<ul style="list-style-type: none">Recognizes the risk of material noncompliance in a Single Audit compliance audit *	<ul style="list-style-type: none">Identifies the risk of material noncompliance in a Single Audit compliance audit *	<ul style="list-style-type: none">Assesses the risk of material noncompliance in a Single Audit compliance audit *	<ul style="list-style-type: none">Approves strategies to address the risk of material noncompliance in a Single Audit compliance audit *
<ul style="list-style-type: none">Recognizes that there are additional engagement risk factors (such as consideration of clusters of programs, large and/or complex federal programs, non-cash assistance and loan guarantees, and previous history of material noncompliance) specific to a Single Audit compliance audit *	<ul style="list-style-type: none">Performs risk assessment of federal programs, taking into consideration clusters of programs, large and/or complex federal programs, non-cash assistance and loan and loan guarantees, and previous history of material noncompliance specific to a Single Audit compliance audit *	<ul style="list-style-type: none">Reviews risk assessment of federal programs taking into consideration clusters of programs, large and/or complex federal programs, non-cash assistance and loan and loan guarantees, and previous history of material noncompliance in a Single Audit compliance audit *	<ul style="list-style-type: none">Approves the final risk assessment of federal programs to be audited taking into consideration clusters of programs, large and/or complex federal programs, non-cash assistance and loan and loan guarantees, and previous history of material noncompliance in a Single Audit compliance audit *
<ul style="list-style-type: none">Recognizes Single Audit requirements for the auditee to take appropriate corrective action to address findings and recommendations from previous engagements and be aware that this could materially affect the current financial statements and/or Single Audit compliance audit *	<ul style="list-style-type: none">Assesses, according to Single Audit requirements, whether the auditee has taken appropriate corrective action to address findings and recommendations from previous engagements that could materially affect the current financial statements and/or Single Audit compliance audit *	<ul style="list-style-type: none">Evaluates and analyzes, according to Single Audit requirements, whether the auditee has taken appropriate corrective action to address findings and recommendations from previous engagements that could materially affect the current financial statements and/or Single Audit compliance audit *	<ul style="list-style-type: none">Approves conclusions as to whether the auditee has taken appropriate corrective action to address findings and recommendations from previous engagements that could materially affect the current financial statements and/or Single Audit compliance audit according to Single Audit compliance audit requirements *

*These proficiencies are only applicable to Single Audit engagements.

ENGAGEMENT ANALYSIS OR TESTING — INFORMATION IDENTIFICATION AND COLLECTION

The identification and collection of information required for the engagement

FOUNDATIONAL	INTERMEDIATE	ADVANCED	EXPERT
<ul style="list-style-type: none">• Understands information necessary for the engagement and their sources including how engagement scope or approach affects information required	<ul style="list-style-type: none">• Understands how to identify the most reliable sources of information when presented with various alternatives	<ul style="list-style-type: none">• Evaluates adequacy and appropriateness of engagement information in achieving engagement objectives	<ul style="list-style-type: none">• Designs firm's policies, tools, and processes to improve information identification
<ul style="list-style-type: none">• Understands the type of information reports provided by third parties/specialists (e.g., SOC1 reports, actuarial reports, etc.)	<ul style="list-style-type: none">• Understands when and how to obtain required information from third parties/specialists (e.g., SOC1 reports, actuarial reports, etc.)	<ul style="list-style-type: none">• Evaluates options available when information cannot be obtained from third parties/specialists	<ul style="list-style-type: none">• Approves approach when information cannot be obtained from third parties/specialists
<ul style="list-style-type: none">• Understands how to obtain or request information and appropriate processes for obtaining that information	<ul style="list-style-type: none">• Identifies how to obtain information that will meet more than one purpose within the engagement	<ul style="list-style-type: none">• Identifies opportunities to obtain required information in new ways to facilitate advanced analysis or testing approaches	<ul style="list-style-type: none">• Design new processes to facilitate automated receipt
<ul style="list-style-type: none">• Follows procedures to obtain information in appropriate formats	<ul style="list-style-type: none">• Applies understanding of systems and operations to validate information requests	<ul style="list-style-type: none">• Recommends methods or sources to ensure information received is reliable and useable	<ul style="list-style-type: none">• Establishes processes for obtaining information that will result in the most reliable data

ENGAGEMENT ANALYSIS OR TESTING — INFORMATION VALIDATION

Validation that requested information is received, sufficient, and appropriate as required by the engagement

FOUNDATIONAL

- Understands aspects of information or the sources of information that increase or jeopardize its reliability, accuracy or completeness

- Understands data integrity concepts that relate to maintaining and assuring the consistency of data over its life cycle

INTERMEDIATE

- Considers and weighs information and sources of information to determine reliability, accuracy, usability and completeness

- Tests validity of information using standard data integrity procedures

ADVANCED

- Evaluates multiple sources of information, identifies conflicts, and determines information that is the most reliable, accurate, credible, usable and complete for purposes of the engagement

- Identifies opportunities to efficiently validate information through system testing (e.g., baseline approach) and designs processes for information validation

EXPERT

- Establishes best practices for evaluating the reliability, accuracy, credibility, usability, and completeness of information as it pertains to various engagements

- Evaluates and approves processes for information validation

ENGAGEMENT ANALYSIS OR TESTING — INTERNAL CONTROL EVALUATION

The understanding and testing of the client’s system of internal control

FOUNDATIONAL	INTERMEDIATE	ADVANCED	EXPERT
<ul style="list-style-type: none"> Understands the concept and principles of internal control 	<ul style="list-style-type: none"> Uses appropriate tools and techniques to develop an initial understanding of controls 	<ul style="list-style-type: none"> Identifies which controls to evaluate to achieve engagement objectives and defines strategies to use for evaluation 	<ul style="list-style-type: none"> Evaluates sufficiency and approves strategies related to internal control evaluation
<ul style="list-style-type: none"> Understands differences between the evaluation or testing of design and implementation 	<ul style="list-style-type: none"> Evaluates design and implementation of controls 	<ul style="list-style-type: none"> Evaluates sufficiency of testing of the design and implementation of controls, when appropriate 	<ul style="list-style-type: none"> Designs new tests of design and implementation for new controls, when appropriate
<ul style="list-style-type: none"> Understands different approaches to testing operating effectiveness 	<ul style="list-style-type: none"> Evaluates operating effectiveness of controls identified for testing, including any compliance testing 	<ul style="list-style-type: none"> Evaluates sufficiency of testing of operating effectiveness, identifies opportunities to improve controls, and creates recommendations, when appropriate 	<ul style="list-style-type: none"> Recommends improvements to client’s internal controls, when appropriate
<ul style="list-style-type: none"> Understands the definition of control exceptions, criteria for evaluating and impact of exceptions on ability to conclude 	<ul style="list-style-type: none"> Identifies control exceptions and applies criteria for evaluating 	<ul style="list-style-type: none"> Evaluates results and concludes on adequacy of controls tested 	<ul style="list-style-type: none"> Determines the appropriateness of the conclusion of controls tested

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ENGAGEMENT ANALYSIS OR TESTING — INTERNAL CONTROL EVALUATION *(Continued)*

The understanding and testing of the client's system of internal control

FOUNDATIONAL

- Understands requirements for evaluating design of internal control over compliance and testing the operating effectiveness of internal control over direct and material compliance requirements for each major program, including identification of significant deficiencies and material weaknesses, in a Single Audit compliance audit *

INTERMEDIATE

- Evaluates the design of internal control over compliance and performs tests of operating effectiveness of internal control over direct and material compliance requirements for each major program, including identification of significant deficiencies and material weaknesses, in a Single Audit compliance audit *

ADVANCED

- Evaluates the conclusions on the design of internal control over compliance and the sufficiency of testing of operating effectiveness of internal control over direct and material compliance requirements for each major program, including identification of significant deficiencies and material weaknesses, in a Single Audit compliance audit *

EXPERT

- Approves conclusions on the design of internal control over compliance and the conclusions on sufficiency of testing of operating effectiveness of internal control over direct and material compliance requirements for each major program, including identification of significant deficiencies and material weaknesses, in a Single Audit compliance audit *

*These proficiencies are only applicable to Single Audit engagements.

ENGAGEMENT ANALYSIS OR TESTING — SAMPLING

The use of sampling as a method for testing and analyzing information when appropriate

FOUNDATIONAL

- Recognizes sampling concepts

- Performs basic sampling procedures to support sampling

INTERMEDIATE

- Applies sampling concepts to identify when and how to perform sampling and documents sampling strategy

- Executes sampling procedures, documents results, and extracts sampling findings to determine additional steps

ADVANCED

- Evaluates sampling strategy and recommends changes, as needed, and designs templates and strategies for sampling in different situations

- Evaluates and interprets sampling results and findings

EXPERT

- Approves the templates and strategies for sampling in different situations

- Develops guidance on evaluating sampling results and findings

ENGAGEMENT ANALYSIS OR TESTING — ANALYSIS AND/OR TESTING STRATEGY

The determination of strategy for delivering on engagement objectives (e.g., analysis, testing of subject matter, tests of controls, preparation of simulations, etc.)

FOUNDATIONAL	INTERMEDIATE	ADVANCED	EXPERT
<ul style="list-style-type: none"> Understands characteristics of information being analyzed and any correlation such as related trends, expectations, benchmarks, assumptions and relationships between the information applicable to the engagement 	<ul style="list-style-type: none"> Applies knowledge of trends, expectations, benchmarks, assumptions and relationships between information 	<ul style="list-style-type: none"> Analyzes appropriate trends, expectations, benchmarks, assumptions and relationships between information 	<ul style="list-style-type: none"> Evaluates the effects of trends, expectations, benchmarks, assumptions and relationship between information
<ul style="list-style-type: none"> Understands purpose, scope, and use of third-party reports or information (e.g., SOC1 reports, actuarial reports, etc.) 	<ul style="list-style-type: none"> Identifies the effect of third-party reports or information on analysis and/or testing (e.g., SOC1 reports, actuarial reports, etc.) 	<ul style="list-style-type: none"> Determines when a third party report or information is necessary to ensure the appropriate level of expertise is applied to the analysis and evaluates use of third-party reports or information (e.g., SOC1 reports, actuarial reports, etc.) 	<ul style="list-style-type: none"> Approves how third-party reports or information (e.g., SOC1 reports, actuarial reports, etc.) are being used
<ul style="list-style-type: none"> Understands purpose and limitations of analytical procedures, control testing and substantive testing 	<ul style="list-style-type: none"> Applies understanding of relevant governing requirements, analytical procedures, control testing, and substantive testing to develop a plan or testing strategy 	<ul style="list-style-type: none"> Evaluates and approves plan or testing strategy for analytical procedures, control testing, and substantive testing 	<ul style="list-style-type: none"> Approves plan or testing strategy for analytical procedures, control testing, and substantive testing pertaining to high-risk, complex, or unusual subject matters
<ul style="list-style-type: none"> Understands linkage between levels and types of risk and the types and amounts of testing 	<ul style="list-style-type: none"> Applies understanding of engagement risks, risk factors, and current developments to identify high-risk testing areas 	<ul style="list-style-type: none"> Evaluates sufficiency of testing in high-risk areas 	<ul style="list-style-type: none"> Approves plan or testing strategy for high-risk areas

ENGAGEMENT ANALYSIS OR TESTING — ANALYSIS AND/OR TESTING PROCEDURES

The performance of procedures necessary to meet engagement objectives (e.g., analysis, testing of subject matter, tests of controls, etc.)

FOUNDATIONAL	INTERMEDIATE	ADVANCED	EXPERT
<ul style="list-style-type: none"> Understands testing approaches 	<ul style="list-style-type: none"> Analyzes results of testing or procedures to determine if it confirms or disaffirms engagement expectations or objectives 	<ul style="list-style-type: none"> Evaluates testing and recommends improvements / additional procedures 	<ul style="list-style-type: none"> Approves the recommendations and additional procedures related to significant areas of risk
<ul style="list-style-type: none"> Interprets and analyzes large amounts of complex information 	<ul style="list-style-type: none"> Evaluates sufficiency of analysis and conclusions 	<ul style="list-style-type: none"> Identifies gaps in process, information or methodology in areas of the engagement 	<ul style="list-style-type: none"> Evaluates and approves complex research and analysis to support a transaction, event or position
<ul style="list-style-type: none"> Recognizes that factors exist that can complicate analysis or testing in high risk areas 	<ul style="list-style-type: none"> Understands the specific factors that complicates analysis or testing in complex, high-risk areas and the strategies developed to address these factors 	<ul style="list-style-type: none"> Designs or approves analysis or test procedures for complex, high-risk areas 	<ul style="list-style-type: none"> Designs new approaches to analyzing or testing recurring and significant areas of risk
<ul style="list-style-type: none"> Recognizes analytical concepts, tools and methodologies 	<ul style="list-style-type: none"> Identifies opportunities to use analytical capabilities to achieve engagement objectives 	<ul style="list-style-type: none"> Develops, uses and interprets the results of advanced analytics and adjusts engagement procedures accordingly 	<ul style="list-style-type: none"> Develops new strategies to incorporate advanced analytics
<ul style="list-style-type: none"> Recognizes requirements for compliance testing, including sampling considerations and identification of instances of noncompliance, in a Single Audit compliance audit * 	<ul style="list-style-type: none"> Performs compliance testing including understanding sampling considerations, and identification and evaluation of instances of noncompliance in a Single Audit compliance audit * 	<ul style="list-style-type: none"> Evaluates the sufficiency of compliance testing, including sampling considerations, and the sufficiency of the identification and evaluation of instances of noncompliance in a Single Audit compliance audit * 	<ul style="list-style-type: none"> Approves conclusions on sufficiency of compliance testing, including sampling considerations, and the sufficiency of the identification and evaluation of instances of noncompliance in a Single Audit compliance audit *

*These proficiencies are only applicable to Single Audit engagements.

ENGAGEMENT ANALYSIS OR TESTING — EVIDENCE EVALUATION

Determines if information and evidence collected supports engagement objectives

FOUNDATIONAL

- Understands how data, evidence or supporting documentation and analysis thereof confirms or disaffirms engagement expectations or objectives

- Aware of third parties and/or specialists involved in an engagement

INTERMEDIATE

- Determines if underlying data, evidence or documentation supports the information being assessed

- Understands how to leverage the work of third parties and/or specialists, including limitations on use, and required documentation

- Understands and performs procedures on the work performed by others to determine its adequacy for purposes of the engagement

ADVANCED

- Identifies nuances and complexities within data, evidence or supporting documentation that would warrant additional follow-up

- Evaluates the work and/or reports of third parties and/or specialists and documents appropriately

- Evaluates sufficiency of procedures performed on the work performed by others

EXPERT

- Evaluates how all data, evidence or documentation collected supports conclusions or recommendations reached in the engagement

- Approves the use of work and/or reports of third parties and/or specialists and its documentation

- Approves procedures performed on the work performed by others

ENGAGEMENT ANALYSIS OR TESTING — RESULTS ANALYSIS

The assessment of results from analyses or tests performed

FOUNDATIONAL	INTERMEDIATE	ADVANCED	EXPERT
<ul style="list-style-type: none">• Understands the definition of deviations and the documentation required to support them	<ul style="list-style-type: none">• Applies systematic process to determine deviations for all engagement procedures including deviations identified during analysis and testing	<ul style="list-style-type: none">• Evaluates identification of deviations and examines for inconsistency	<ul style="list-style-type: none">• Evaluates impact at an aggregated level and determines need for additional procedures or communications, based upon engagement objective
	<ul style="list-style-type: none">• Understands the nature of quality reviews, third-party reviews, and/or desk and on-site reviews and the potential impact of findings originating during the review process	<ul style="list-style-type: none">• Considers the nature of quality reviews, third-party reviews, and/or desk and on-site reviews when finalizing engagement deliverables	<ul style="list-style-type: none">• Prepares for and responds to quality reviews or reviews by third-parties, including desk reviews and on-site reviews
<ul style="list-style-type: none">• Articulates how results of analysis and/or testing compare to expectations	<ul style="list-style-type: none">• Understands how results of analysis and/or testing compare to expectations and affect analysis or testing conclusions	<ul style="list-style-type: none">• Evaluates and challenges results of analysis and/or testing pertaining to how they compare to expectations and how they affect analysis or testing conclusions	<ul style="list-style-type: none">• Approves conclusions on analysis and/or testing pertaining to how they compare to expectations and how they affect analysis or testing conclusions
<ul style="list-style-type: none">• Understands the definition of findings and exceptions and the documentation required to support them	<ul style="list-style-type: none">• Identifies and includes sufficient documentation to support conclusions regarding findings and exceptions	<ul style="list-style-type: none">• Evaluates how results of engagement procedures affect other areas or considerations of the engagement	<ul style="list-style-type: none">• Challenges summarization and conclusions of results of engagement procedures

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ENGAGEMENT ANALYSIS OR TESTING — RESULTS ANALYSIS *(Continued)*

The assessment of results from analyses or tests performed

FOUNDATIONAL	INTERMEDIATE	ADVANCED	EXPERT
<ul style="list-style-type: none"> Understands the criteria used to assess the significance of findings and exceptions 	<ul style="list-style-type: none"> Completes a quantitative and qualitative determination of a finding 	<ul style="list-style-type: none"> Evaluates and challenges the quantitative and qualitative assessment of findings and their impact on conclusions 	<ul style="list-style-type: none"> Identifies how results of engagement procedures affect other areas of the engagement or the overall engagement conclusion
	<ul style="list-style-type: none"> Understands the factors that determine the reliability of the work of others and supports the analysis and assessment of these factors 	<ul style="list-style-type: none"> Analyzes and assesses the reliability of the work of others and how it affects the overall engagement 	<ul style="list-style-type: none"> Approves the outcome of the work others and the effect on the engagement
<ul style="list-style-type: none"> Understands GAGAS requirements for identifying findings and documenting the required elements of a finding which include the criteria, condition, cause and effect or potential effect ‡ 	<ul style="list-style-type: none"> Applies GAGAS requirements to identify findings and document the criteria, condition, cause and effect or potential effect of the finding ‡ 	<ul style="list-style-type: none"> Evaluates and challenges findings and related documentation are in accordance with GAGAS requirements which include documenting the criteria, condition, cause and effect or potential effect of the finding ‡ 	<ul style="list-style-type: none"> Approves findings identified and related documentation are in accordance with GAGAS requirements which include documenting the criteria, condition cause, and effect or potential effect of the finding ‡
<ul style="list-style-type: none"> Understands Single Audit requirements for identifying and reporting findings and questioned costs * 	<ul style="list-style-type: none"> Applies Single Audit requirements for identifying and reporting findings and questioned costs * 	<ul style="list-style-type: none"> Evaluates and challenges Single Audit requirements for identifying and reporting findings and questioned costs * 	<ul style="list-style-type: none"> Approves identified findings and questioned costs and related documentation and reporting are in accordance with Single Audit requirements *

*These proficiencies are only applicable to Single Audit engagements.

‡These proficiencies do not apply to governmental financial statement audit engagements.

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ENGAGEMENT ANALYSIS OR TESTING — RESULTS ANALYSIS *(Continued)*

The assessment of results from analyses or tests performed

FOUNDATIONAL

- Recognizes differences in materiality determinations between the financial statement audit and a Single Audit compliance audit, including materiality for purposes of reporting findings *

INTERMEDIATE

- Applies different materiality determinations for the financial statement audit and a Single Audit compliance audit, including materiality for purposes of reporting findings *

ADVANCED

- Evaluates application of different materiality determinations for the financial statement audit and a Single Audit compliance audit, including materiality for purposes of reporting findings *

EXPERT

- Approves application of different materiality determinations for the financial statement audit and a Single Audit compliance audit, including materiality for purposes of reporting findings *

*These proficiencies are only applicable to Single Audit engagements.

CONCLUDING THE ENGAGEMENT — CONCLUSION AND RECOMMENDATIONS

The assessment of results from engagement strategies and procedures in order to draw final conclusions and/or make recommendations

FOUNDATIONAL	INTERMEDIATE	ADVANCED	EXPERT
	<ul style="list-style-type: none">Evaluates results of all engagement procedures and determines potential effect on engagement deliverables (e.g., conclusions, recommendations, communications or reports)	<ul style="list-style-type: none">Synthesizes combined effect of all engagement procedures results to draw conclusions and approves final conclusions reached in each engagement based upon overall assessment of results of engagement procedures	<ul style="list-style-type: none">Approves final conclusions in engagements
	<ul style="list-style-type: none">Evaluates results of all engagement procedures and determines potential effect on conclusions related to each major program in a Single Audit compliance audit *	<ul style="list-style-type: none">Synthesizes combined effect of all procedures results to draw conclusions and approves final conclusions reached on each major program in a Single Audit compliance audit based upon overall assessment of results of engagement procedures *	<ul style="list-style-type: none">Approves final conclusions reached on major programs in a Single Audit compliance audit engagement *
	<ul style="list-style-type: none">Evaluates results of all engagement procedures and determines potential effect on each opinion unit in a governmental financial statement audit †	<ul style="list-style-type: none">Synthesizes combined effect of all procedures results to draw conclusions and approves final conclusions reached on each opinion unit based upon overall assessment of results of engagement procedures in a governmental financial statement audit †	<ul style="list-style-type: none">Approves final conclusions reached on each opinion unit in a governmental financial statement audit †

*These proficiencies are only applicable to Single Audit engagements.

† These proficiencies are only applicable to governmental financial statement audit engagements.

CONCLUDING THE ENGAGEMENT — ENGAGEMENT DELIVERABLES

The preparation and delivery of engagement deliverables in accordance with applicable governing requirements (e.g., communications, plans, forms, reports)

FOUNDATIONAL	INTERMEDIATE	ADVANCED	EXPERT
<ul style="list-style-type: none">• Understands engagement results and deliverable requirements	<ul style="list-style-type: none">• Prepares summary of engagement results and deliverables	<ul style="list-style-type: none">• Evaluates engagement results and deliverables in light of engagement objectives	<ul style="list-style-type: none">• Reviews and approves engagement results and deliverables in light of engagement objectives
<ul style="list-style-type: none">• Understands the information reported in prescribed formats and on prescribed forms, including supplemental schedules and reports, as applicable	<ul style="list-style-type: none">• Prepares deliverables, including supplemental schedules and reports, using the prescribed formats and on the prescribed forms, as applicable	<ul style="list-style-type: none">• Develops engagement deliverables, including supplemental schedules and reports, when no templated or defined deliverables exists	<ul style="list-style-type: none">• Communicates engagement results and provides deliverables, including supplemental schedules and reports, to the client, including those charged with governance — as applicable — and makes recommendations — as applicable — based upon engagement findings
<ul style="list-style-type: none">• Reproduces templated and defined engagement deliverables (e.g., reports, opinions, forms, communications) including supplemental schedules and reports	<ul style="list-style-type: none">• Identifies and summarizes modifications to templated or defined deliverables	<ul style="list-style-type: none">• Approves modifications to engagement deliverables and reviews those with the client ensuring conclusions reached are clearly communicated	<ul style="list-style-type: none">• Proposes and constructs reports and deliverables for complex, high-risk engagements
<ul style="list-style-type: none">• Understands that reports may be recalled and reissued	<ul style="list-style-type: none">• Understands factors that would trigger recall and reissuance of reports and the required process	<ul style="list-style-type: none">• Determines whether recall and reissuance of reports is required under the circumstances	<ul style="list-style-type: none">• Approves conclusion that reports need to be recalled and reissues reports

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CONCLUDING THE ENGAGEMENT — ENGAGEMENT DELIVERABLES *(Continued)*

The preparation and delivery of engagement deliverables in accordance with applicable governing requirements (e.g., communications, plans, forms, reports)

FOUNDATIONAL	INTERMEDIATE	ADVANCED	EXPERT
<ul style="list-style-type: none">Reproduces templated GAGAS report on (1) internal control over financial reporting and (2) compliance and other matters †	<ul style="list-style-type: none">Identifies and summarizes modifications to GAGAS report on (1) internal control over financial reporting and (2) compliance and other matters †	<ul style="list-style-type: none">Approves modifications to GAGAS report on (1) internal control over financial reporting and (2) compliance and other matters and reviews with the client ensuring conclusions reached are clearly communicated †	
	<ul style="list-style-type: none">Understands GAGAS and Single Audit compliance audit requirements when reporting views of responsible officials related to deficiencies in internal control and instances of fraud, noncompliance or abuse †	<ul style="list-style-type: none">Summarizes views of responsible officials related to deficiencies in internal control and instances of fraud, noncompliance, or abuse in accordance with GAGAS and Single Audit compliance audit requirements †	<ul style="list-style-type: none">Approves the reporting of views of responsible officials related to deficiencies in internal control and instances of fraud, noncompliance, or abuse in accordance with GAGAS and Single Audit compliance audit requirements †
<ul style="list-style-type: none">Follows GAGAS requirements related to reporting confidential and sensitive information †	<ul style="list-style-type: none">Understands and applies GAGAS requirements related to reporting confidential and sensitive information in a GAGAS audit †	<ul style="list-style-type: none">Approves application of GAGAS requirements related to reporting confidential and sensitive information in a GAGAS audit †	<ul style="list-style-type: none">Evaluates and responds to issues involving the application of GAGAS requirements related to reporting confidential and sensitive information in a GAGAS audit †

† These proficiencies do not apply to governmental financial statement audit engagements.

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CONCLUDING THE ENGAGEMENT — ENGAGEMENT DELIVERABLES *(Continued)*

The preparation and delivery of engagement deliverables in accordance with applicable governing requirements (e.g., communications, plans, forms, reports)

FOUNDATIONAL	INTERMEDIATE	ADVANCED	EXPERT
	<ul style="list-style-type: none">• Understands GAGAS requirements to report known or likely fraud, noncompliance or abuse directly to parties outside of the audited entity in certain circumstances †	<ul style="list-style-type: none">• Analyzes the plan to report findings of known or likely fraud, noncompliance, or abuse directly to parties outside of the audited entity in accordance with GAGAS requirements, if required †	<ul style="list-style-type: none">• Approves the plan to report findings of known or likely fraud, noncompliance, or abuse directly to parties outside of the audited entity in accordance with GAGAS requirements, if required †
	<ul style="list-style-type: none">• Applies Single Audit compliance audit reporting requirements including reporting on the SEFA in relation to the financial statements, reporting on compliance for each major program, reporting on internal control over compliance, and preparation of the schedule of findings and questioned costs *	<ul style="list-style-type: none">• Analyzes and reviews Single Audit compliance audit reporting requirements including reporting on the SEFA in relation to the financial statements, reporting on compliance for each major program, reporting on internal control over compliance, and preparation of the schedule of findings and questioned costs *	<ul style="list-style-type: none">• Approves Single Audit compliance audit reporting meets requirements including reporting on the SEFA in relation to the financial statements, reporting on compliance for each major program, reporting on internal control over compliance, and preparation of the schedule of findings and questioned costs *
	<ul style="list-style-type: none">• Understands the requirements of and prepares the reporting package for submission to the Federal Audit Clearinghouse *	<ul style="list-style-type: none">• Evaluates and approves the reporting package for submission to the Federal Audit Clearinghouse *	<ul style="list-style-type: none">• Evaluates and responds to complex issues involving the reporting package and its submission to the Federal Audit Clearinghouse *

*These proficiencies are only applicable to Single Audit engagements.

†These proficiencies do not apply to governmental financial statement audit engagements.

GUIDING PRINCIPLES — GOVERNING REQUIREMENTS

The understanding and evaluation of applicable governing requirements including laws, regulations, standards, frameworks, and principles and criteria including changes and amendments of the same

FOUNDATIONAL

- Recognizes and recalls applicable governing requirements including laws, regulations, standards, frameworks, and principles and criteria; and related changes and amendments

INTERMEDIATE

- Interprets and applies applicable governing requirements including laws, regulations, standards, frameworks, and principles and criteria; and related changes and amendments

ADVANCED

- Determines how applicable governing requirements including laws, regulations, standards, frameworks, principles and criteria and related changes and amendments apply to complex or unusual transactions or events

EXPERT

- Recognizes inappropriate application of governing requirements, strategizes, and advises the client on how best to structure transactions or events to most accurately reflect the reality of the transaction or event

-
- Recognizes the structure of the applicable governing requirements (e.g., laws, regulations, standards, etc.) and the bodies that issue them

- Understands the factors that would trigger the applicability of other laws, regulations, standards, or frameworks beyond what would normally apply (e.g., Yellow Book, Single Audit, etc.) and applies this understanding to research questions

- Identifies the additional requirements triggered by the application of additional criteria (e.g., grant compliance, contract compliance) and alters approach to managing engagements accordingly

- Approves the identification of additional requirements

-
- Understands the underlying principles of each set of governing requirements

- Identifies when judgment and interpretation is necessary to determine how to apply governing requirements and determines how to apply to a specific set of facts and circumstances

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GUIDING PRINCIPLES — GOVERNING REQUIREMENTS *(Continued)*

The understanding and evaluation of applicable governing requirements including laws, regulations, standards, frameworks, and principles and criteria including changes and amendments of the same

FOUNDATIONAL	INTERMEDIATE	ADVANCED	EXPERT
<ul style="list-style-type: none"> Aware of the authority levels associated with governing requirements relevant to the engagement 	<ul style="list-style-type: none"> Understands and applies authority levels when interpreting or applying governing requirements to the engagement 	<ul style="list-style-type: none"> Evaluates multiple governing requirements, appropriately weighs the evidence, and applies most appropriate requirement based upon the authority levels and jurisdictions of the governing requirements and the specific set of facts and circumstances present in the engagement 	<ul style="list-style-type: none"> Anticipates the impact of various governing requirements, professional standards, and guiding principles on engagements and prepares accordingly
		<ul style="list-style-type: none"> Develops positions on or strategies for complex issues 	<ul style="list-style-type: none"> When permitted, recommends best position or approach on the basis of formulated positions or strategy
<ul style="list-style-type: none"> Aware of GAGAS and Single Audit compliance audit requirements[‡] 	<ul style="list-style-type: none"> Understands how an audit performed in accordance with GAGAS and Single Audit compliance audit requirements differs from AICPA audit requirements[‡] 	<ul style="list-style-type: none"> Identifies modifications necessary to perform an audit in accordance with GAGAS and Single Audit compliance audit requirements[‡] 	<ul style="list-style-type: none"> Approves modifications necessary to perform an audit in accordance with GAGAS and Single Audit compliance audit requirements[‡]
<ul style="list-style-type: none"> Aware of the GAGAS general standards[‡] 	<ul style="list-style-type: none"> Understands how the GAGAS general standards affect independence, professional judgment, competence (including continuing education) and quality and assurance (including external peer review)[‡] 	<ul style="list-style-type: none"> Identifies modifications necessary to comply with GAGAS general standards related to independence, professional judgment, competence (including continuing education) and quality and assurance (including peer review)[‡] 	<ul style="list-style-type: none"> Approves modifications necessary to comply with GAGAS general standards related to independence, professional judgment, competence (including continuing education) and quality and assurance (including peer review)[‡]

[‡]These proficiencies do not apply to governmental financial statement audit engagements.

GUIDING PRINCIPLES — ENGAGEMENT APPROACH/PLAN

Understanding the engagement approach/plan including relationships and dependencies between various aspects of the engagement and conducting the engagement according to the approach/plan

FOUNDATIONAL	INTERMEDIATE	ADVANCED	EXPERT
<ul style="list-style-type: none"> Aware of and follows the engagement approach, methodology and/or plan 	<ul style="list-style-type: none"> Implements and oversees aspects of the engagement approach, methodology and/or plan 	<ul style="list-style-type: none"> Establishes and communicates engagement approach, methodology and/or plan 	<ul style="list-style-type: none"> Evaluates appropriateness of engagement approach, methodology and/or plan
<ul style="list-style-type: none"> Aware of workflow dependencies 	<ul style="list-style-type: none"> Understands and manages the flow of information, dependencies and the quantity of work requirements 	<ul style="list-style-type: none"> Manages the flow of information and workflow dependencies across multiple complex engagements to facilitate timely completion; makes recommendations as necessary to improve processes 	<ul style="list-style-type: none"> Recommends and approves changes to multi-engagement workflows to manage the operational risk of each engagement
<ul style="list-style-type: none"> Understands that there are requirements for limiting the scope of the engagement from what is normally required based on applicable governing standards 	<ul style="list-style-type: none"> Identifies the requirements for limiting the scope of the engagement 	<ul style="list-style-type: none"> Determines the requirements for limiting the scope of the engagement have been satisfied 	<ul style="list-style-type: none"> Evaluates execution of engagement in accordance with established approach, methodology and/or plan
<ul style="list-style-type: none"> Recognizes how client transactions, events, accounts, or goals affect other aspects of the client and are applicable to the engagement 	<ul style="list-style-type: none"> Understands relationships between client transactions, events, accounts or goals and how they affect other aspects of the client and are applicable to the engagement 	<ul style="list-style-type: none"> Modifies engagement approach or client recommendations based upon understanding of other aspects of the client or other engagement areas and assessment of the effect of procedures, and evaluates overall engagement conditions that have the potential to negatively affect engagement results 	<ul style="list-style-type: none"> Anticipates how client transactions, events, accounts, or goals affect engagement results and plans engagement accordingly to be effective and efficient

GUIDING PRINCIPLES — ENGAGEMENT DOCUMENTATION

The process of documenting the engagement such that it provides sufficient evidence of work performed, supports conclusions reached, and adheres to applicable governing requirements

FOUNDATIONAL

- Understands and follows documentation procedures and protocols

INTERMEDIATE

- Documents engagement in accordance with governing requirements and engagement expectations and understands documentation that should be included or excluded to comply with governing requirements and protect firm from risk or penalty

ADVANCED

- Evaluates documentation to determine that documentation is properly included or excluded to comply with governing requirements or best practices and to protect from risk or penalty; and reviews, assesses and makes recommendations to improve engagement documentation

EXPERT

- Evaluates whether engagements are documented in accordance with governing requirements or best practices and engagement standards

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- Understands the subject matter language such that documentation and communications uses the appropriate terminology to prevent misunderstanding or misinterpretation

- Evaluates documentation and communications to determine that the appropriate terminology is used

- Approves documentation and communications to determine that appropriate terminology is used

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- Recognizes additional GAGAS requirements related to laws and regulations, which extend beyond GAAS requirements, to include consideration of material provisions of contracts and grant agreements †

- Understands and performs procedures that address additional GAGAS requirements related to laws and regulations which extend beyond GAAS requirements, to include consideration of material provisions of contracts and grant agreements †

- Evaluates performance of procedures that address additional GAGAS requirements related to laws and regulations which extend beyond GAAS requirements, to include consideration of material provisions of contracts and grant agreements †

- Approves sufficiency of performance of procedures that address additional GAGAS requirements related to laws and regulations which extend beyond GAAS requirements, to include consideration of material provisions of contracts and grant agreements †

† These proficiencies do not apply to governmental financial statement audit engagements.

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GUIDING PRINCIPLES — ENGAGEMENT DOCUMENTATION *(Continued)*

The process of documenting the engagement such that it provides sufficient evidence of work performed, supports conclusions reached, and adheres to applicable governing requirements

FOUNDATIONAL

- Recognizes procedures that address GAGAS requirements regarding abuse, a concept not found in GAAP †

INTERMEDIATE

- Understands and performs procedures that address GAGAS requirements regarding abuse, a concept not found in GAAP †

ADVANCED

- Evaluates performance of procedures that address GAGAS requirements regarding abuse, a concept not found in GAAP †

EXPERT

- Approves sufficiency of performance of procedures that address GAGAS requirements regarding abuse, a concept not found in GAAP †

- Recognizes GAGAS documentation requirements (for example, the documentation of supervisory review before the report release date and any departures from GAGAS requirements) †

- Understands and applies GAGAS documentation requirements which include the documentation of supervisory review before the report release date and any departures from GAGAS requirements †

- Evaluates engagement and performs engagement review in accordance with GAGAS documentation requirements which include the documentation of supervisory review before the report release date and any departures from GAGAS requirements †

- Evaluates engagement review and approves engagement review ensuring it is performed in accordance with GAGAS documentation requirements which include the documentation of supervisory review before the report release date and any departures from GAGAS requirements †

† These proficiencies do not apply to governmental financial statement audit engagements.

QUESTIONS OR COMMENTS?

Please email competencymodel@aicpa.org.

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