What's New webinar – October 4, 2018

Presented by: ***Mack Ruciak***

Hosted by: ***Michael Chew***

Accountants Templates Inc. (jazzit)

Today's Webinar

- **FUNDAMENTALS**
  - Updates to the Audit Engagement Report
  - Updates to the Audit Engagement Letter and Management Representation letter
  - Major features from prior releases this year

- **CHECKLISTS**
  - Updates to the Audit and Review packages
  - Major features introduced this year

- **Important notice about the Jazzit packages and CaseWare 2018**

- **Q&A session**

FUNDAMENTALS

Important dates
to remember for <u>AUDIT</u> engagements

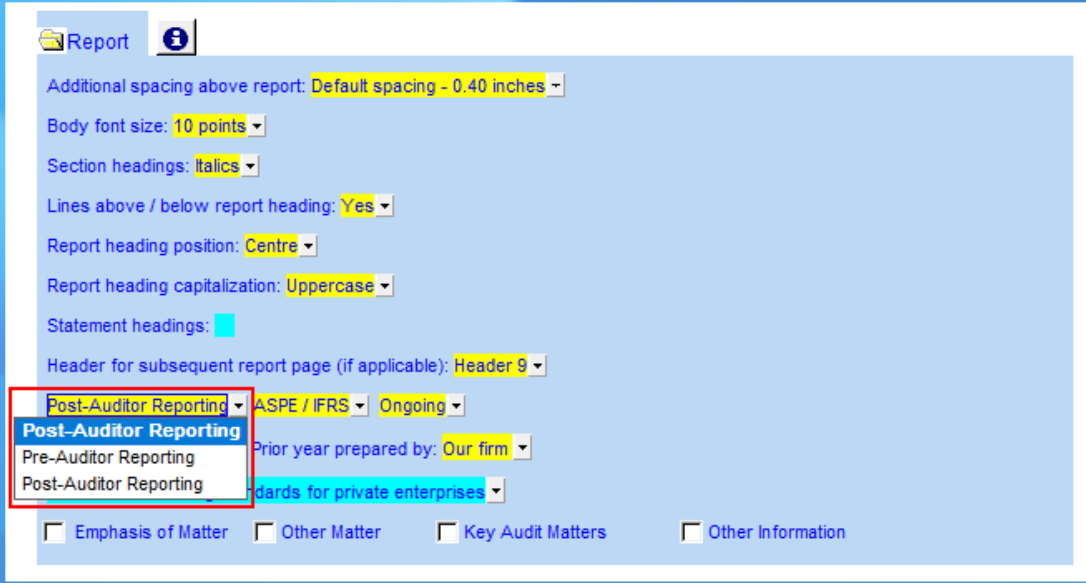
- Y/E **<u>prior</u>** to December 15, 2018
  (Pre-auditor reporting)

- Y/E **<u>on or after</u>** December 15, 2018
  (Post-auditor reporting – early adoption permitted)

Engagement Report (RP)

- Updated for the new audit report (post-auditor reporting) which is mandatory for year-ends on or after December 15, 2018

- In the report options you can select either pre or post-auditor reporting. This option will automatically switch to post-auditor reporting as default if the client has a year-end on or after December 15, 2018. **Early adoption is permitted**



Engagement Report (RP) (samples)

Pre-auditor reporting

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Jazzit Simple Example Ltd.

We have audited the accompanying financial statements of Jazzit Simple Example Ltd., which comprise the balance sheet as at December 31, 2018 and the statements of income, retained earnings and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Jazzit Simple Example Ltd. as at December 31. 2018. and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

(continues)

Post-auditor reporting

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Jazzit Simple Example Ltd.

Opinion

We have audited the financial statements of Jazzit Simple Example Ltd. (the Company), which comprise the balance sheet as at December 31, 2018, and the statements of income, retained earnings and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2018, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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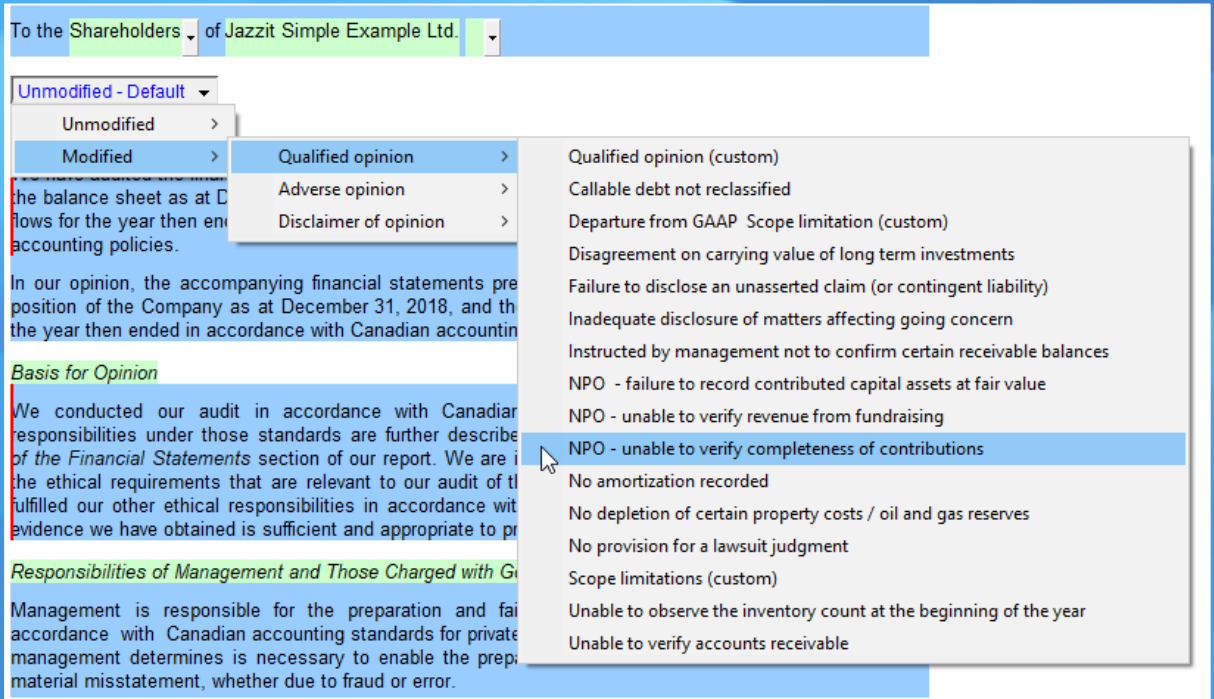
Engagement Report (RP)

- **AUDIT** – Report type and report sample wording are all available from a new menu located at the top of the report (both pre and post-auditor reporting).



Engagement letter(JZEL) and Management Representations letter (JZRL)

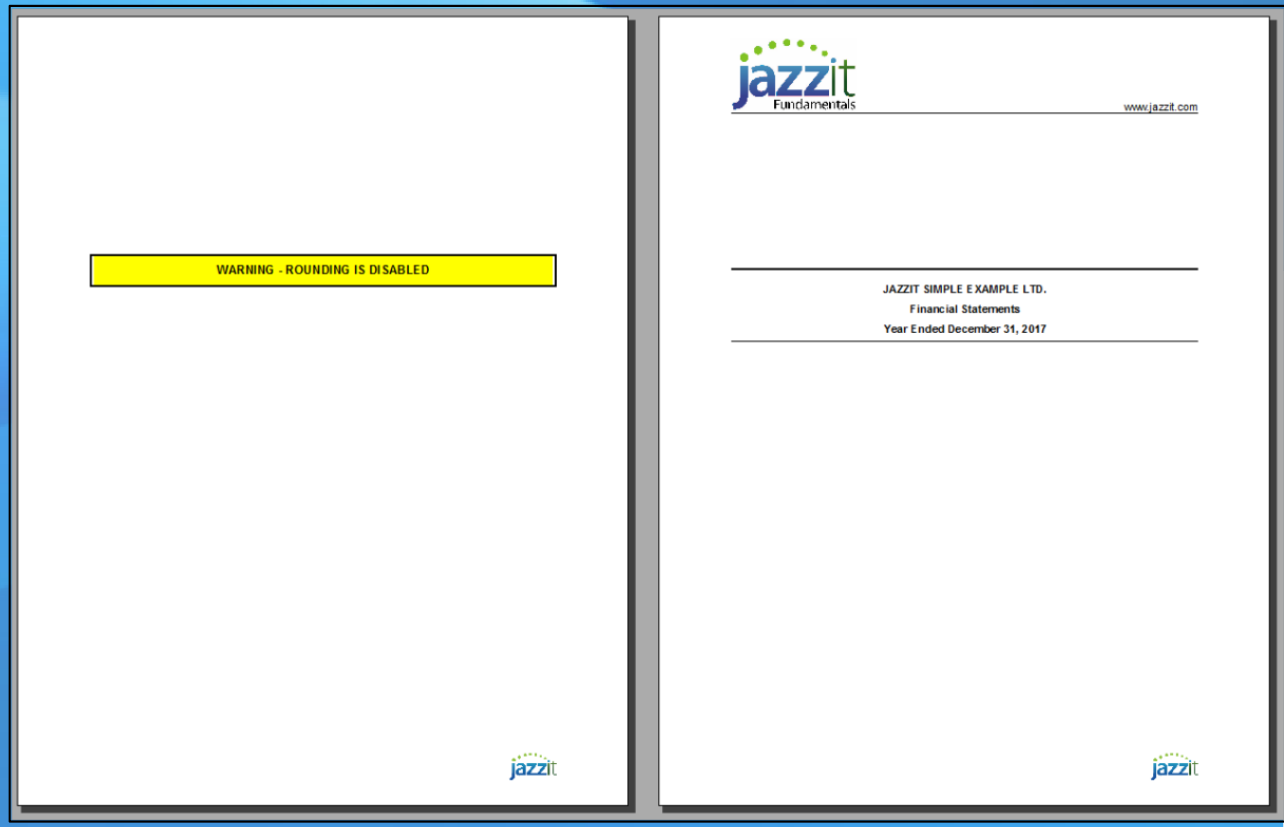
- Updated for latest wording changes. Note that going forward all engagements *(compilation, CSRE 2400 review, and audit)* should now be using the JZEL engagement letter.
- The old EL engagement letter and RL management representation letter are archived exclusively for pre CSRE 2400 review engagements

PLANNING DOCUMENTATION		
4B	Engagement letter	JZEL
4A	Engagement letter (Archive for Pre CSRE 2400)	EL
5B	Management representations letter	JZRL
5A	Management representations letter (Archive for Pre CSRE 2400)	RL

Printed rounding warning

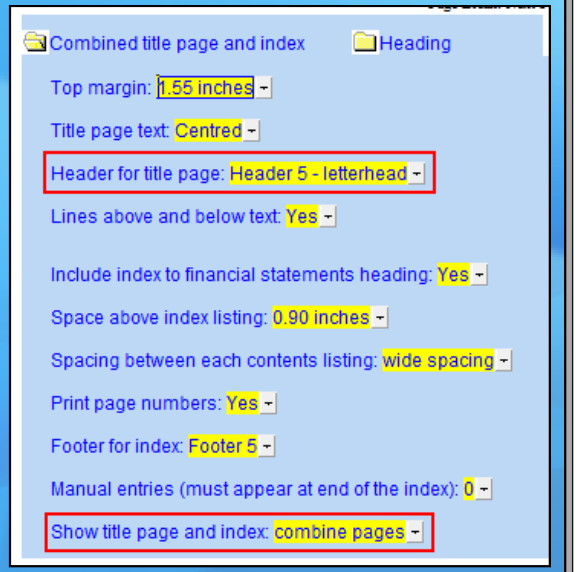
A page will now print in front of the financial statements if:

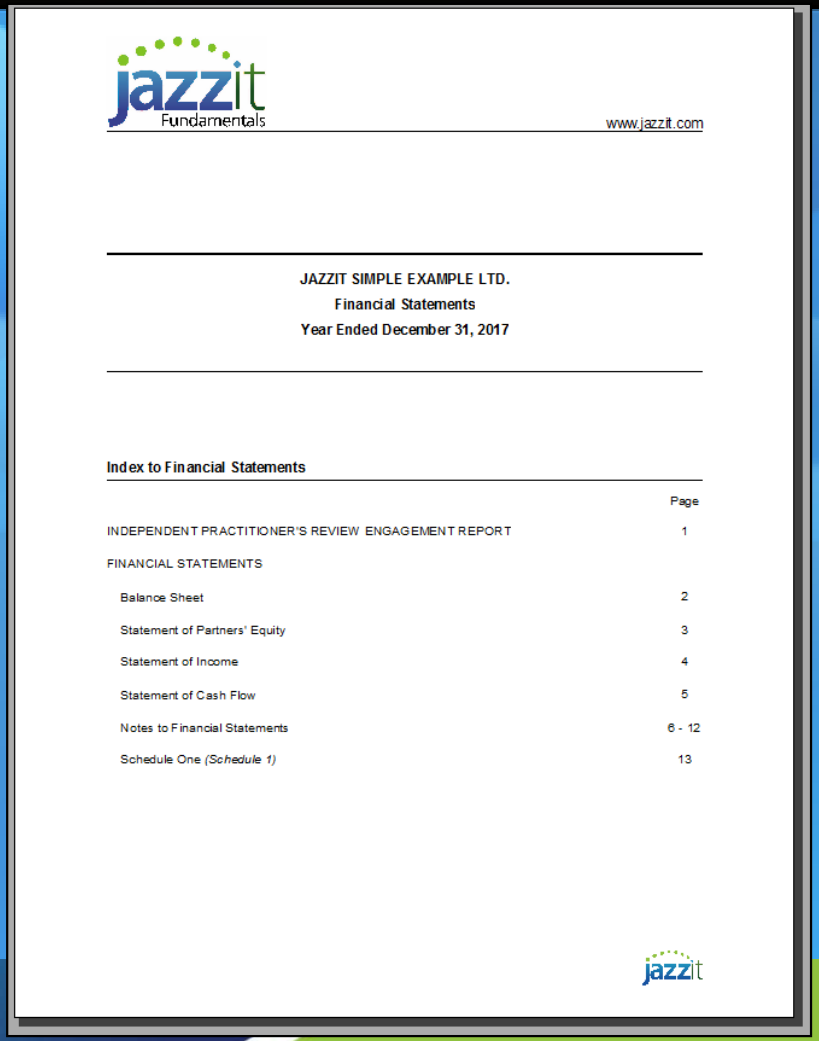
- the draft stamp has been turned off *(set to final)*, and
- rounding is
  - still disabled, or
  - there is an error with rounding *(recalculate or significant differences exist).*
- Can be disabled in the Resource Centre



Combining the title page and index

- The title page and index page can be combined to print on a single page, with spacing options to fine tune placement of text.
- Header can be attached to title page *(including the letterhead)* if required.





jazzit Fundamentals

www.jazzit.com

JAZZIT SIMPLE EXAMPLE LTD.
Financial Statements
Year Ended December 31, 2017

Index to Financial Statements

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jazzit

Reconcile amortization wp groups to G/L

Group totals can now be set to reconcile to a specific Cost and Accumulated Amortization general ledger accounts

- A red indicator will alert the preparer that a difference exists between the group total and the associated G/L account.
- Preparers can set a global threshold +/- amount *(in the working paper setting area)* to flag unreconciled differences.
- The freeze frame can be set to display only groups with unreconciled differences from the general ledger.
- A diagnostic at the bottom of the working paper will reflect how many unreconciled groups are present in the working paper *(above the threshold +/- amount set)*, and the **JZDIAG Diagnostic Report** will also reflect the unreconciled groups

Vehicles Rate method: **Declining balance** Rate unit: **%** Group rate: **2** % Group pro-rate: **12** /12 months Half normal amortization for additions: **Yes**

Reconcile to closing balance Cost link No: 157.1742 Accum amort link No: 158.1743 Link type : Map No

	Date Add'n m/dd/yy	Cost 2016	Cost 2017	Accum Amort 2016	Adjusted Opening Amort	Rate	Pro-rate	Amort 2017	Accum Amort 2017	Net Book Value 2017	Net book Value 2016
Delivery vehicle #1	4/01/14	3,500.00	3,500.00	1,500.00	1,500.00	2	12	40.00	1,540.00	1,960.00	2,000.00
Delivery vehicle #2	4/01/14	3,500.00	3,500.00	1,250.00	1,250.00	2	12	45.00	1,295.00	2,205.00	2,250.00
Delivery vehicle #3	4/01/17	3,200.00	3,200.00	-	-	2	12	64.00	64.00	3,136.00	3,200.00
Subtotal		10,200.00	10,200.00	2,750.00	2,750.00			149.00	2,899.00	7,301.00	7,450.00
Per general ledger		*Motor vehicles / Map No: 157.1742*	*10,000.00*					*Motor vehicles - acc amort / Map No: 158.1743*	*2,650.00*		
Unreconciled difference			*200.00*						*249.00*		

New note options

- **JOINT VENTURE AND SUBSIDIARIES** - *INVESTMENTS IN LIMITED PARTNERSHIPS* – A new note option has been added to display the ownership breakdown of a partnership or joint venture

1. INVESTMENTS IN LIMITED PARTNERSHIPS

The investment in the Jazzit Financial Statements partnership is split in the following ownership percentages:

	Equity %	Balance 2016	Equity income (loss)	Contributions purchases (withdrawals)	**Balance 2017**
John Smith	25.0	$ 15,000	$ (2,500)	$ (500)	**$ 12,000**
Jane Smith	25.0	15,000	(2,500)	(500)	**12,000**
Dave Emmers	25.0	75,000	(2,500)	-	**72,500**
Eric Smith	15.0	2,500	(500)	(2,500)	**(500)**
Sue Alters	10.0	5,500	-	(600)	**4,900**
		$ 113,000	$ (8,000)	$ (4,100)	**$ 100,900**

- **SHARE CAPITAL NOTE** - *DEFAULT AND SHARE REDEMPTION* - Added a manual table to display the percentage ownership of shareholders

	2018	2017
Shareholder:		
Jazzit Sample INC	**50.0 %**	50.0 %
John Smith	**15.0**	15.0
Jane Smith	**15.0**	10.0
Bob Smith	**15.0**	20.0
Other minor shareholders	**5.0**	5.0
Total	**100.0 %**	100.0 %

CHECKLISTS

- Audit and Review packages have been updated to the latest prescribed wording as per CPA Canada July/August 2018

Highlights from the AUDIT package updates:

- Three new templates:
  - **A-325** – Worksheet – Key audit matters
  - **A-455** – Preparing the risk assessment procedures
  - **A-455c** – Preparing the risks assessment procedures (condensed)

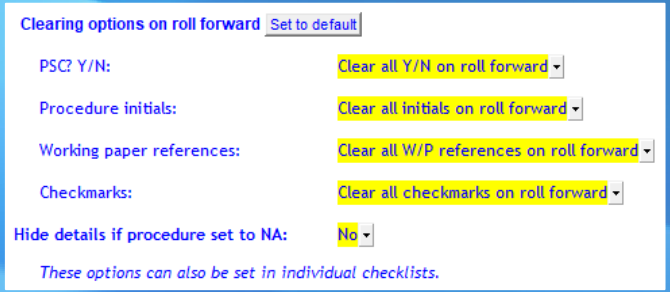
- Merging and new assertions
  - Accuracy and Valuation merged into a single assertion, **AV - Accuracy/Valuation**
  - New assertion added, **P – Presentation**

Highlights from the REVIEW package updates:

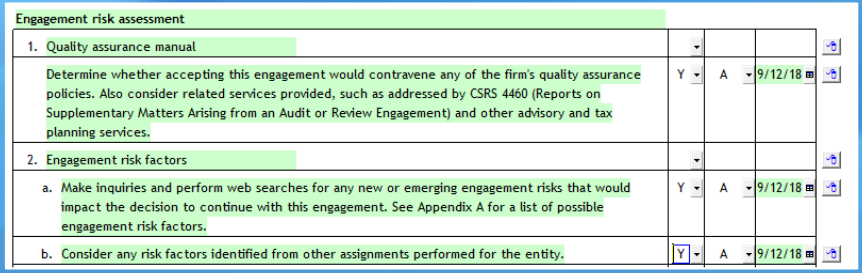
- New template, **CAMAP – Compilation Map**

Checklist functionality added over the year

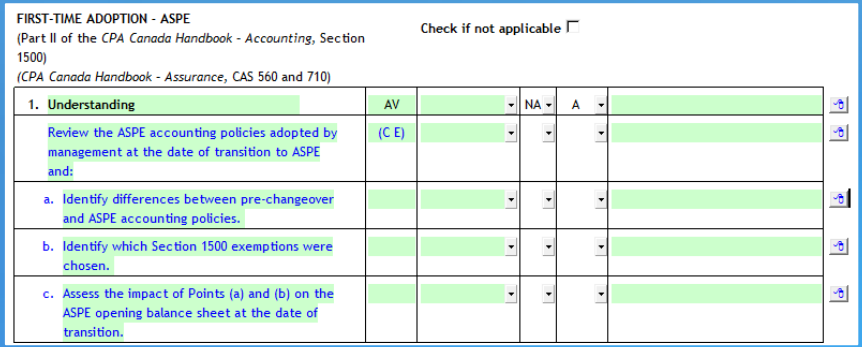
- Ability to select which columns retain on roll-forward
- Can either be on a per template basis, or set globally in the control document ***(JZPCKEY/JZPCKEYA)***



- Double-click to complete procedures which automatically signs off initials and dates ***(where applicable)***

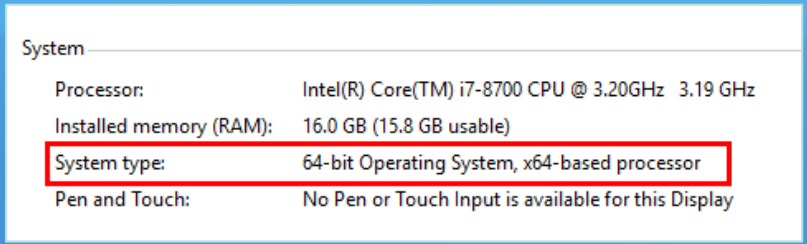


- Setting a Level 1 procedure to NA automatically skips the Level 2 and 3 procedures below it.
- Level 2 and 3 procedures can be set to either skip or hide
- Can either be on a per template basis, or set globally in the control document ***(JZPCKEY/JZPCKEYA)***



Important notice about CaseWare 2018

- Effective **December 1**st all updates and any new templates will be available in CaseWare 2018 format only
- We will continue to provide support for CaseWare 2017 **however** if the resolution requires a template update it will only available in CaseWare 2018
- **Please be aware that CaseWare 2018 is only available as a 64-bit version**
- To check the type of processor and operating system installed:
  - Click **Start** (or **Start menu**).
  - Type "Computer"
  - Right-click on **Computer** (or **This PC**) and select **Properties**
  - Under **System** information, check the System type



Q&A session

PLEASE FEEL FREE TO ASK ANY QUESTIONS RELATED TO THE FEATURES SHOWN IN TODAYS WEBINAR, OR ABOUT ANY OF THE JAZZIT PACKAGES!

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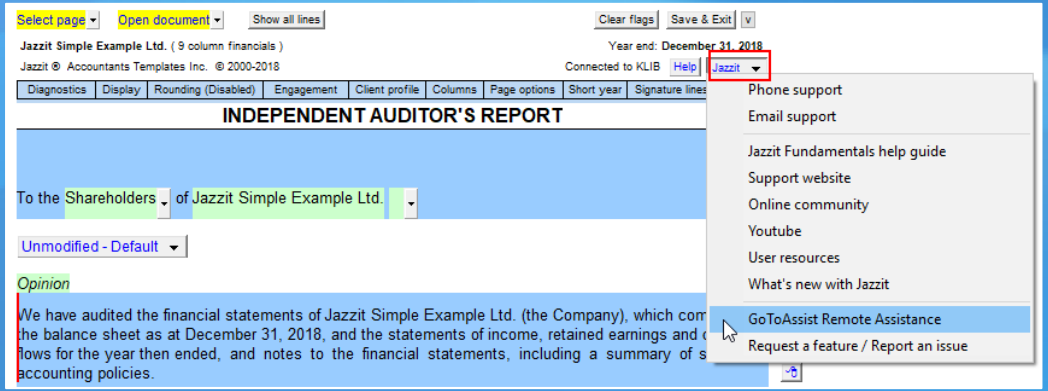

Thank you for attending this Webinar

Questions, comments or feedback:
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