MAY 5-7, 2025

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Maneuvering New Accounting Reporting Requirements for Nonprofits

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THE EXPERTS IN MISSION-DRIVEN NONPROFIT FINANCE

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THE STATE OF THE SECTOR

There are over **1.8 million nonprofit organizations** in the United States. The number of nonprofits has grown by **1.4% annually over the past 20 years**

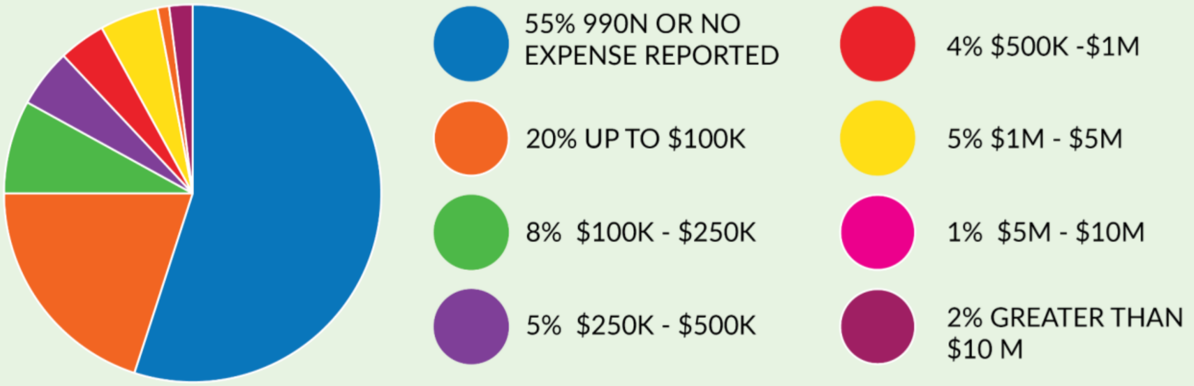
More than **10% of companies** in the US are nonprofit organizations **representing about 6%** of the US economy.

THE NONPROFIT COMMUNITY

- **12.8 M** EMPLOYEES
- **64 M** BOARD MEMBERS
- **75.7 M** VOLUNTEERS
- **34+ M** DONORS

Nonprofits by the Numbers

- **97% of nonprofits** have budgets of less than **$5 million annually**
- **92% of nonprofits operate** with less than **$1 million a year**
- **88% of nonprofits** spend **less than $500,000 annually** for their work.



The total revenue of nonprofits has **increased** from a little more than **$1 trillion in 2000 to about $3 trillion.**

71% of nonprofits have seen an **increase in demand** for their programs and services.

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THE POLITCAL LANDSCAPE

- On day one, President Trump issues Executive Orders
  - Protecting the American People Against Invasion
    - Increased ICE activity
  - Reevaluating and Realigning the United States Foreign Aid
    - Impacted support of foreign NGO's
  - Putting America First in International Environmental Agreements, Unleashing American Energy
    - Impacted climate-based organizations
  - Ending Illegal Discrimination and Restoring Merit Based Opportunity
    - DEIA is now a four-letter word
  - Defending Women from Gender Ideology Extremism and Restoring Biological Truth to the Federal Government
    - Impact on LGBT organizations

THE POLITCAL LANDSCAPE

- Ending Illegal Discrimination and Restoring merit Based Opportunity
  - Alters the federal government's approach to DEIA initiatives
    - DEIA references to be removed from contracts
  - Encourages federal agencies to investigate private sector practices deemed discriminatory
  - Restriction of race conscious admission practices in education

  - Executive Order raises questions about ability to use DEI preferences
    - Hiring decisions must be based upon qualifications alone and cannot involve preferences
      - Recruit across broader spectrum and prioritize diverse characteristics and not just race or sex
    - Eliminates requirement that government contractors develop and certify annually their affirmative action plans
    - Unsure how this will impact DEIA related programming as the EO is drafted broadly

THE POLITCAL LANDSCAPE

- During his first administration, President Trump proposed eliminating the National Endowment for the Arts
- The Administration's America first focus could reduce grants and contracts for international development projects
  - Withdrawal from international agreements and reduced participation in global initiatives could impact NGO's focusing on international issues (climate change, human writes and world health)
  - NGO's rely on Federal funding of about $20 billion per year
- In his first administration President Trump tried to repeal the Affordable Care Act and implement significant changes in healthcare funding
- Trump's 2021 budget proposed cutting $1.6 trillion over 10 years from programs that help people with low or modest incomes meet basic needs
- Gift and estate tax thresholds set to reduce in 2025, but will they
- Immigration issues continue to be a concern
  - Raids of shelters (ICE)

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THE EXPERTS IN MISSION-DRIVEN NONPROFIT FINANCE

FEDERAL FUNDING CUTS 2025

- **Temporary Grant Freeze (Jan 2025):**
  - OMB froze all federal grants ($303B annually); rescinded Jan 29 but caused delays.
  - Impact: Cash flow issues, program cancellations (e.g., WV job training, WI immigrant services).
  - 100,000+ nonprofits affected; large orgs (>54% revenue from grants) hit hardest.
- **HHS Grant Cancellations ($12B):**
  - Cut funds for public health (e.g., measles tracking, mental health, addiction).
  - Example: NY ($300M cut), IL ($125M cut) nonprofits face service reductions.
- **SNAP ($230B) & Housing ($109M in WV) Cuts:**
  - Food banks, housing nonprofits (e.g., Habitat for Humanity) face deficits.
- **Refugee Resettlement ($36M):**
  - Catholic Charities lawsuit claims unlawful withholding, risking program closures.

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FEDERAL FUNDING CUTS 2025

- **Proposed Medicaid Cuts ($880B, 2025–2034):**
  - 11.8% annual reduction threatens healthcare nonprofits (e.g., NJ HIV support).
  - Potential Federal Medicaid Cuts Represent 29% of State Medicaid Spending Per Resident, 6% of State Taxes Per Resident, and 19% of Education Spending Per Pupil
  - Projected impact by State https://www.kff.org/medicaid/issue-brief/putting-880-billion-in-potential-federal-medicaid-cuts-in-context-of-state-budgets-and-coverage/

- **Tariffs:**
  - The Trump administration has set in motion a tariff system designed to create fair trade and eliminate the large inequity between American imports and exports. This is anticipated to drive up costs and could increase demand.

MITIGATING FEDERAL & STATE FUNDING CUTS

- **Diversify Revenue Streams:**
  - Pursue private donations, corporate sponsorships, and foundation grants (67% offer unrestricted funds).
  - Develop earned income models (e.g., fee-based services, social enterprises like workshops).
  - Launch crowdfunding campaigns via platforms like GoFundMe to engage communities.
- **Forge Strategic Partnerships:**
  - Collaborate with nonprofits for shared grants (e.g., Long Island Health Collaborative's $1M success).
  - Partner with local businesses for in-kind support or sponsorships to offset losses (e.g., $300M NY health cuts).
- **Enhance Advocacy & Engagement:**
  - Join coalitions to lobby for funding restoration.
  - Use impact-driven storytelling to retain donors; 70% demand transparency in 2025.
- **Leverage Technology:**
  - Adopt CRM tools to track donors, boost digital fundraising
  - Use analytics to target high-net-worth donors (38% of giving from $30M+ households).

MAY 5-7, 2025

THE ECONOMY

- **Inflation Rates:** Inflation is expected to reach around 4% by the end of 2025 (Federal reserves target is 2%). This is an increase from 2024, when inflation was estimated to be around 2.5%. Projected growth due to tariffs.
- **US Economic Growth:** The US economy is anticipated to grow at a rate of approximately 1.5 to 2.0% in 2025. This is down from 2.8% growth in 2024.
- **Unemployment Rates:** The unemployment rate in the United States in 2025 is expected to be approximately 4.2% at the end of 2025, which is consistent with 2024 levels
- **Interest Rates:** The Federal Reserve is expected to reduce interest rates but not as quickly as originally anticipated. The Federal lending rate is expected to drop to about 4% by year end, only about 1/4 % off the current rate. This however could be contingent on the inflation rate.
- **Charitable Contributions:** Expected to exceed 2024 levels by approximately 3.9%, but that will be contingent on where the stock market goes for the rest of the year as the market has gotten very skittish over the last couple of months
- **Demand for Services:** Expected to remain high and potential increase due to some of the EO's signed by President Trump and the tariff situation
- **Government Funding:** Anticipated to decline at all levels

IMPACT OF THE CURRENT ECONOMY ON NONPROFITS AND CHARITABLE GIVING

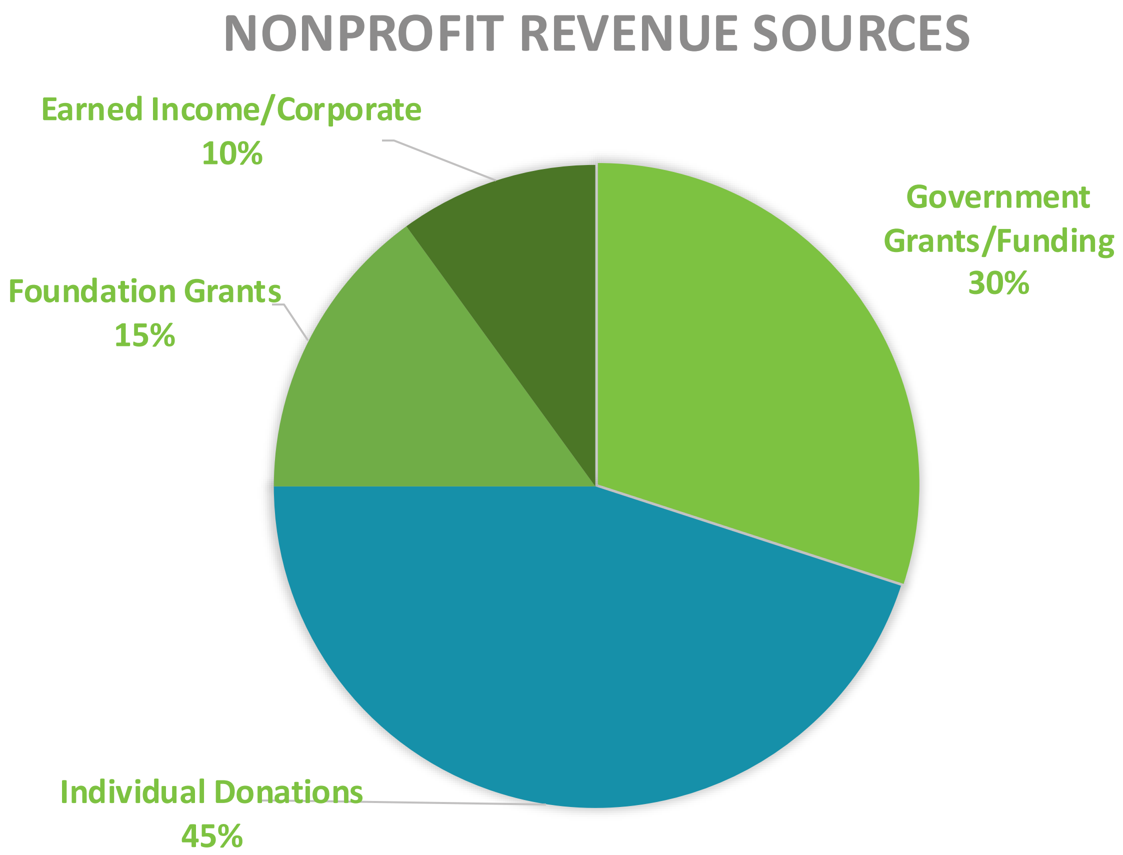
- **Challenges for Nonprofits:**
  - Rising costs reduce purchasing power; nonprofits struggle to maintain services as demand grows (e.g., human services).
  - Donor retention declining (3.4% drop in 2023); small donors reduce giving due to financial pressures.
  - High-net-worth donors increasingly use structured giving (e.g., DAFs, foundations), requiring tailored fundraising.
  - Erratic/sluggish economy may impact giving; individual giving projected to remain ~63% of total donations.

- **Opportunities:**
  - Community-centric fundraising and transparency can strengthen donor trust and engagement.
  - Technology and automation can streamline operations, offsetting cost pressures (increased use of AI and data integration). Need to better know, understand, and communicate with your donors.

NONPROFITS BUDGETING IN UNCERTAIN TIMES

Why Alternative Budgeting Matters:

- Scenario budgets (best, moderate, worst-case) enhance resilience and transparency.
- Enables quick Board-approved responses to funding changes.
- Example: World Relief's "slim-down" budget prioritized services with zero federal funds.



NONPROFITS BUDGETING IN UNCERTAIN TIMES

- **Key Strategies:**
  - **Assess Finances:** Analyze grant reliance, cash flow, reserves.
  - **Scenario Budgets:** Plan for 0–25%+ funding cuts; adjust expenses, prioritize programs.
  - **Diversify Revenue:** Boost individual donations, corporate sponsorships, earned income, foundation grants (67% offer unrestricted funds).
  - **Optimize Costs:** Negotiate vendor discounts, automate payments, reallocate unrestricted funds.
  - **Engage Stakeholders:** Involve Board/staff for buy-in; leverage networks for partnerships.
  - **Monitor/Adjust:** Review budgets monthly; stay informed on policy changes.
- **Long-Term Resilience:**
  - Build 4–6 months of reserves.
  - Invest in fundraising (e.g., CRM systems).
  - Collaborate with peers to share costs.
  - Monitor policy via nonprofit advocacy groups.

THE GREAT WEALTH TRANSFER

- **What is the Great Wealth Transfer?**
  - Over $84 trillion expected to transfer from Baby Boomers and Silent Generation to younger generations by 2045.
  - $11.9 trillion earmarked for charitable giving, with nonprofits as key beneficiaries.
  - Driven by estate plans, inheritances, and donor-advised funds (DAFs).
- **Impact on Nonprofits:**
  - Millennials and Gen X prioritize impact-driven giving; 78% prefer mission-aligned causes.
  - DAFs growing (15% annual increase), offering flexible, tax-efficient giving options.
  - High-net-worth donors (HNWDs) contribute 50% of individual donations, amplifying potential.
- **Opportunities for Nonprofits:**
  - Engage younger donors via digital platforms and storytelling (e.g., social media, impact reports).
  - Build relationships with HNWDs and DAF holders for planned giving (e.g., bequests, trusts).
  - Offer multi-generational giving programs to involve families in philanthropy.
- **Challenges:**
  - Competition for funds intensifies; 1.5M nonprofits vie for donor attention.
  - Donors demand transparency and measurable outcomes (e.g., 65% want impact metrics).
  - Economic volatility may delay or reduce transfers.

HR TRENDS- CHALLENGES IN THE WORKFORCE

Salary competition emerged as the most commonly cited challenge, with nearly three-quarters of respondents (72.2%) identifying it as a concern.

Budget constraints or insufficient funds, affecting salary competitiveness, were flagged by two-thirds of participants (66.3%).

Stress and burnout were noted by over half of respondents (50.2%) as contributing factors.

Approximately one in five respondents (20.6%) highlighted issues stemming from government grants and contracts as significant contributors to workforce shortages.

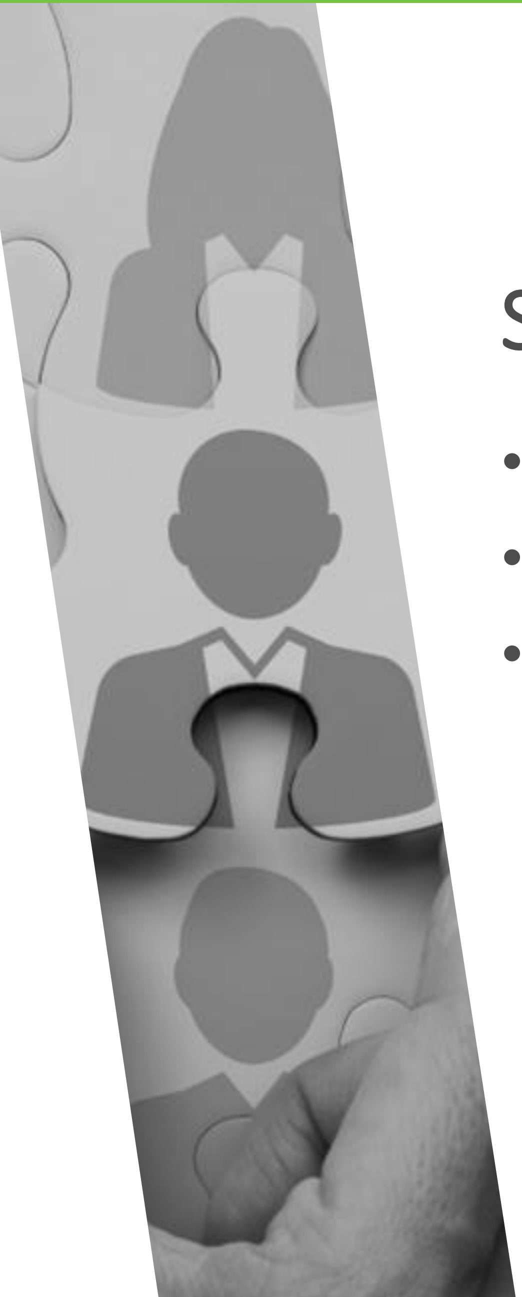
A lack of accessible and affordable child care remains a key challenge, impacting recruitment and retention, as reported by 14.6% of respondents.

HIRING TRENDS

- **Strategic Talent Acquisition**: Align recruitment with organizational goals and culture.
- **Diversity, Equity, and Inclusion (DEI)**: Build diverse and inclusive teams.
- **Remote Work and Flexibility**: Embrace hybrid and remote work models.
- **Skills-Based Hiring**: Focus on transferable skills.
- **Technology Adoption**: Use AI for recruitment efficiency.

COMPENSATION TRENDS

- Competitive Salaries: Offer market-aligned salaries.
- Comprehensive Benefits: Include health insurance, retirement plans, and wellness initiatives.
- Performance-Based Incentives: Align compensation with organizational objectives.
- Transparent Practices: Foster trust through clear communication about salaries.



SUCESSION PLANNING

- Proactive Planning: Develop documented succession plans.
- Leadership Development: Invest in leadership programs.
- Regular Review and Open Dialogue: Update plans and encourage conversations about transitions.

EMERGING WORKFORCE TRENDS

- **Employee Well-being:** Prioritize mental health and wellness initiatives.
- **Data-Driven HR Decisions:** Use analytics to optimize workforce strategies.
- **Upskilling and Reskilling:** Address skill gaps internally.
- **Engagement and Recognition:** Celebrate achievements and align work with missions.
- **Strategic Role of HR:** HR leaders champion DEI, drive innovation, and advocate for well-being.

CHECK OUT THE FULL TREND REPORT

ACCOUNTING CHANGES TO BE DISCUSSED

- All's quiet on the FASB front. Not a whole lot of new guidance impacting nonprofits
- Lease Modifications
- Donated Rent
- Rules for Recognizing Contribution Revenue
- 2025 FASB Technical Agenda Items
- 2024 Yellow Book Update
- COVID-19 Funding – Provider Relief Funds
- SAS Nos. 142 through 149

Lease Modification

- How is a Lease Modification Defined? A lease modification, as defined by ASC 842, refers to changes in the terms and conditions of a lease that result in an alteration of the lease's scope or consideration.
  - Modifying the square footage under an existing lease
  - Extending a lease prior to expiration (could include exercising an option that you had previously determined you weren't going to exercise.
  - Changing the lease terms (receiving discounted lease payment terms from landlord)
- Need to consider if the change terms are a modification to an existing lease or a separate lease
- An entity shall account for a modification to a contract as a separate contract when both of the following conditions are present:
  - The modification grants the lessee an additional right of use not included in the original lease
  - The lease payments increase commensurate with the standalone price for the additional right of use, adjusted for the circumstances of the particular contract.
- An organization that runs a day hab without walls program leases 10 vans and suddenly volume increases and they need to double the number of vans needed, this would be a separate contract as it meets the 2 criteria above.

Lease Modification

- If a lease is modified and that modification is not accounted for as a separate contract, the entity shall reassess the classification of the lease in accordance with 842 as of the effective date of modification.
- Update the amortization schedule –
  - The first month listed will be the month that the lease modification agreement was signed
  - Update the discount rate using the date that the lease modification agreement was signed
  - The lease liability will be equivalent to the net present value of all lease payments
  - When a lease is modified, you need to determine the variance between the change in the asset and the change in the liability as of the modification date. Since the asset and liability change do not equal, you need to record the change in the liability to both the asset and liability account. The remaining fluctuation of the asset will reduce the beginning balance of the ROU asset and be amortized over time.

Lease Modification

Nonprofit A Has a 4-year lease expiring in November 2024. On August 1, 2024, Nonprofit A extends the lease for an additional 4 years, expiring November 30, 2028 at the same terms with annual 3% rent increases. At the time the lease was extended, Nonprofit A had made lease payments of $275,639. The total lease payments under the new lease taking into consider all lease payments from the start of the previously lease is $649,239. Assuming Nonprofit A previously recognized straight line rent of $286,387, the new straight-line rent would be $6,977.93 as follows:

Straight Line Rent Calculation		
Previous Payments (original lease schedule)	$	275,638.92
New Total Overall Payments (previous pmts plus future based on modification)	$	649,239.15
Previously Recognized Expense (SL Rent)	$	286,386.96
Lease Years Remaining		52
Monthly New SL Rent	$	6,977.93

Lease Modification

Nonprofit A's present value of the original lease was $256,387 (original 842 asset and liability recorded). As of August 1, 2024, nonprofit A had a remaining 842 asset of $26,035 and a corresponding liability of $36,783. The calculation of the new lease (utilizing discount rate as of August 2024 and calculating the present value of the lease payments retroactively to the beginning of the original asset) is $510,217 or $253,830 in excess of the original 842 asset/liability recorded. This results in a change in ROU asset and liability as follows:

ROU Asset Change (old schedule to modified schedule)	$ 227,794.68	
ROU Liability Change (old schedule to modified schedule)	$ 217,046.64	
Variance	$ 10,748.04	***this amount gets amortized as the asset reduction over the life of the lease.***

As this is a lease modification, the adjustment would be to increase the asset and liability by $217,047 and in essence amortize the $10,748 asset change over the life of the lease.

RECORDING OF A MULTI-YEAR PLEDGE OF DONATED RENT

- Donated rent is not covered under 842
- A pledge of a future payment of cash is recorded at the present value of the future payments utilizing a risk adjusted interest rate
- The donation of space through a long-term lease is handled the same way. You would calculate the present value of the lease payments over the term of the lease and record the present value as both an asset (donated rent receivable/asset) and to revenue as an in-kind contribution.

RULES FOR RECOGNIZING CONTRIBUTIONS

- Accounting Standards Update (ASU) 2018-08 was issued by the Financial Accounting Standards Board (FASB) to clarify accounting for contributions and grants
  - Aims to address diversity and inconsistency in practice
- Many nonprofits still are unaware of the ASU and are accounting for contributions incorrectly
  - Guidance clarifies definition of contribution and distinguishes it from exchange transaction
  - Provides criteria for determining if contribution is conditional or unconditional
- Contributions are defined as unconditional transfers of cash or other assets
  - Does not require the recipient to provide anything of value to the donor in return
- An exchange is a reciprocal transfer in which each party receives and sacrifices approximately commensurate value
  - Both parties agree on the amount of assets transferred in exchange for goods and services (subject to 606)
- ASU 2018-08 provides indicators to distinguish between a contribution and an exchange
  - Expressed intent, provider discretion, and penalties assessed may affect the classification
- Some transactions may involve both a contribution and an exchange component
  - The transaction should be bifurcated and the contribution measured at the difference between the fair value and the consideration paid

RULES FOR RECOGNIZING CONTRIBUTIONS

- Intent to exchange resources for goods or services of commensurate value indicates an exchange
  - Provider has full discretion in determining the amount of transferred assets
- Provider does not receive commensurate value when transferring funds for public benefit
  - Provider does not necessarily receive commensurate value when transferring funds for activities consistent with its mission
- Penalties assessed on recipient may affect classification of transaction
  - Penalties limited to delivery of assets or return of unspent amount indicate contribution
  - Penalties in excess of amount of assets transferred indicate exchange
- ASU 2018-08 requires determination of conditional or unconditional contributions
  - Conditional contributions have donor-imposed stipulations representing barriers
  - Unconditional contributions do not have donor-imposed conditions
- Conditional contribution requires the presence of **both a barrier and right of return or release**
  - Barriers may be indicated by one or more factors

RULES FOR RECOGNIZING CONTRIBUTIONS

- Measurable performance-related barriers or other measurable barriers
  - Specified level of service, identified number of units of output, specific outcome, or matching requirement
- Limited discretion by recipient on activity conduct
  - Requirements to follow specific guidelines: expenses in line with budgets, approval for changes to spending, etc.
- Stipulations related to agreement purpose
  - Requirement to provide specific service or output
- Reporting requirements are not considered barriers
- Right of return or release
  - May be implied by nature of agreement or type of asset transferred
- Conditional contributions accounted for as refundable advance or unearned contribution
  - Revenue recognized only when barrier is overcome, typically to the extent that expenses have been allocated to the grant/contribution

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RULES FOR RECOGNIZING CONTRIBUTIONS

- Clarify the intent of the contribution with the donor
  - If ambiguity cannot be resolved, presume the contribution to be conditional
- Use of the term “grant” can be misleading
  - Accounting regulations do not provide a strict definition for “grant”
  - Terms of each grant dictate the treatment
  - Grants of all types can be accounted for as unconditional or conditional contributions
- Unconditional contributions with donor-imposed restrictions should be recognized as net assets with donor restrictions.
  - Restrictions limit the use of the contribution to a specific purpose or time
- Unconditional contributions without donor-imposed restrictions should be recognized as net assets without donor restrictions
- Donor-imposed restrictions are different from donor-imposed conditions
  - Restrictions limit the use of the contribution to a specific purpose and/or time
  - Conditions affect the recipient's entitlement to the contribution
  - A contribution can be conditional and restricted. Restrictions apply only after conditions are met.

RULES FOR RECOGNIZING CONTRIBUTIONS

- Restrictions for Time
  - Funding to be used in future periods for general operating expenses or towards a specific program. These are typically seen as multi-year pledges.
- Restrictions for Purpose
  - Funding to be used towards a specific program, but the Organization has more control over spending. Typically, there are no budgets, only progress reports.
- ASU 2018-08 requires recipients to disclose information about their contributions
  - Contributions by Asset Type
    - Includes cash, securities, land, buildings, equipment
  - Donor-Imposed Restrictions
    - Description of nature and amounts
  - Conditional Contributions
    - Description of nature and amounts
    - Effect on revenue recognition and refundable advances
  - Qualitative Information
    - Expectations for satisfying conditions
    - Expected timeline for revenue recognition

2025 FASB TECHNICAL AGENDA ITEMS

- The FASB maintains a Technical Agenda of future-thinking areas of potential change. The following agenda items may eventually impact nonprofits in future years:
  - Software costs accounting and disclosure (proposed ASU issued 10/29/24)
    - This project reflects recommendations from preparers and practitioners to update current US GAAP for software costs. The proposed ASU would remove references to a prescriptive and sequential development method and would specify that a company would start capitalizing software costs when both: (1) Management has authorized and committed to funding the software project, and (2) It is probable that the project will be completed and the software will be used to perform the function intended.
  - Government grants accounting (proposed ASU issued 11/19/24)
    - The proposed ASU would establish guidance for a government grant including (1) a grant related to an asset (primary purpose is to purchase, construct, or acquire an asset) and (2) a grant related to income (primary purpose is to reimburse for operating expenses). The ASU proposes a consistent initial recognition threshold for all government grants when it is probable that (1) a business entity will comply with conditions attached to the grant and (2) the grant will be received. Upon meeting the initial recognition threshold, a grant related to an asset would be recognized in the balance sheet either as (1) deferred income or (2) a part of the cost basis in determining the carrying amount of the asset. A grant related to income would be recorded in earnings either (1) under a separate heading (such as other income) or (2) deducted from the related expense. The ASU would require additional disclosures about the nature of the grant received, accounting policies used to account for the grant, terms and conditions, etc.

2024 YELLOW BOOK UPDATE

- The long anticipated 2024 Yellow Book, which supersedes the 2018 Yellow Book, was released February 1, 2024, by the United States Government Accountability Office (GAO). The 2024 revision is effective for financial audits, attestation engagements, and reviews for periods beginning on or after December 15, 2025 (calendar 2026 year and later)
- Changes focus on deficiencies identified within firms performing Single Audits and the quality of their work and don't have a major impact on nonprofits themselves.
- The 2024 Compliance Supplement was released in May 2024. It will impact years starting after June 30, 2023 (fiscal 2024). One notable change for the 2024 Compliance Supplement include:
  - Raising the Single Audit requirement threshold from $750,000 to $1,000,000 for years **beginning on or after** October 1, 2024 (calendar 2025).

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COVID-19 FUNDING

PROVIDER RELIEF FUNDS (PRF)

- US Department of Health and Human Services ("HHS") funding made available to healthcare providers who bill Medicaid and Medicare.
- Funding to be used for health-care related expenditures or to offset lost revenues due to the COVID-19 pandemic.
- Funding is administered by the Health Resources & Services Administration ("HRSA").
- Uniform Guidance audit requirement exists for recipients who spent more than $750,000 in a reporting period. The Uniform Guidance audit threshold was increased to $1,000,000 for fiscal years beginning on or after October 1, 2024.
- Reporting is based on the dates provided in the table listed below.

Period	Payment Received Period	Period of Availability for Eligible Expenses	Period of Availability for Lost Revenues	Reporting Time Period
1	April 10, 2020, to June 30, 2020	January 1, 2020, to June 30, 2021	January 1, 2020, to June 30, 2021	July 1, 2021, to September 30, 2021
2	July 1, 2020, to December 31, 2020	January 1, 2020, to December 31, 2021	January 1, 2020, to December 31, 2021	January 1, 2022, to March 31, 2022
3	January 1, 2021, to June 30, 2021	January 1, 2020, to June 30, 2022	January 1, 2020, to June 30, 2022	July 1, 2022, to September 30, 2022
4	July 1, 2021, to December 31, 2021	January 1, 2020, to December 31, 2022	January 1, 2020, to December 31, 2022	January 1, 2023, to March 31, 2023
5	January 1, 2022, to June 30, 2022	January 1, 2020, to June 30, 2023	January 1, 2020, to June 30, 2023	July 1, 2023, to September 30, 2023
6	July 1, 2022, to December 31, 2022	January 1, 2020, to December 31, 2023	January 1, 2020, to June 30, 2023	January 1, 2024, to March 31, 2024
7	January 1, 2023, to June 30, 2023	January 1, 2020, to June 30, 2024	January 1, 2020, to June 30, 2023	July 1, 2024, to September 30, 2024
8	July 1, 2023, to December 31, 2023	January 1, 2020, to December 31, 2024	January 1, 2020, to June 30, 2023	January 1, 2025, to March 31, 2025
9	January 1, 2024, to June 30, 2024	January 1, 2020, to June 30, 2025	January 1, 2020, to June 30, 2023	July 1, 2025, to September 30, 2025

STATEMENTS ON AUDITING STANDARDS ("SAS") 142 to 149

- No significant outward changes to reporting. The changes are more to audit procedures behind the scenes.
- Enhanced focus on audit risk
  - Understanding and identifying significant risks
  - Evaluating risk at each assertion level
  - Increased focus on accounting estimates
    - Use of specialists and related evaluation of information obtained from specialists
- Greater emphasis on audit evidence, especially with respect to use of technology
- The need to assess the IT control environment
- Revised requirements relating to audit documentation
- Increased professional auditor skepticism
- More internal monitoring/self assessment
- Updates to standards for "groups audits" of consolidated entities where there are multiple audit firms involved.

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