

1105.7850 RETENTION AND CONTENT OF AUDIT DOCUMENTATION.

A. Firms granted permits under Minnesota Statutes, section 326A.05, shall prepare, according to professional standards contained in AICPA Professional Standards, and retain for a period of not less than six years from the report date audit documentation in sufficient detail to support the conclusions reached in any report issued by the firm on the financial statements audited.

B. The professional standards referred to in item A are incorporated by reference.

C. Failure to comply with this part, or with all professional standards applicable to particular engagements, including, but not limited to, standards adopted by the Public Company Accounting Oversight Board or the Comptroller General of the United States, which are incorporated by reference in part 1105.0250, items D and E, respectively, is an act discreditable to the profession and is basis for disciplinary action under Minnesota Statutes, section 326A.08. The documentation and retention requirements in this part do not apply to engagements that are subject to the jurisdiction of the Public Company Accounting Oversight Board or the Comptroller General of the United States. Unless otherwise stated in this part, firms shall comply with the documentation and retention requirements in this part in any other audit engagement performed for a client having its headquarters in this state.

D. If audit documentation is required to be kept for longer than six years because of a pending board investigation or disciplinary action, audit documentation must not be destroyed until the licensee has been notified in writing by the board of the closure of a board investigation or disciplinary proceeding.

E. Any documents required to be retained by this part must be retained in accessible form so that a reviewer may read the information contained in the documents.

F. Licensees shall maintain and comply with an audit documentation retention and destruction policy that provides for the preservation of audit documentation for the full time period required by this part and provides for the authorized custody, security, access, retention, and destruction of the documentation. This policy must, at a minimum, include the following:

(1) procedures for the maintenance of back-up copies of electronic audit documentation at secure locations;

(2) procedures for maintaining audit documentation;

(3) procedures for approving any changes to audit documentation; and

(4) procedures for approving the destruction of documentation when no longer required to be maintained by this part.

G. The audit documentation referred to in item A must include:

(1) relevant workpapers containing documentation of auditing procedures applied, evidence obtained, and conclusions reached by the firm in the audit; and

(2) other relevant documents that form the basis of the audit which:

- (a) are created, sent, or received in connection with the audit; and
- (b) contain conclusions, opinions, analyses, or financial data related to the audit.

H. The following requirements apply to changes in audit documentation after delivery of the audit report to the client and such changes in documentation include any addition, removal, deletion, substitution, or editing of audit documentation, including, but not limited to, physical or electronic additions to any audit documentation file or preexisting audit documentation, occurring after the date of delivery of the audit report to the client which is supported by the audit documentation:

(1) except as provided in subitem (2), in addition to any other documentation required by professional standards, the documentation must provide the identity of the person or persons making the change and identity of any person or persons approving the change, the date of the change, and the reason for the change if the reason is other than the assembling of preexisting documents. The documentation that is changed must contain sufficient detail to enable a reviewer with relevant knowledge and experience, having no previous connection with the audit engagement, to understand the nature, timing, reason for, and extent of the change; and

(2) during a 60-day period after the date of delivery of the audit report to the client, documents may be added to the file for the assemblage and documentation of work previously performed. Nothing in this subitem authorizes the deferral of audit procedures required to be performed prior to the date of issuance of the report.

Statutory Authority: *MS s 326.18; 326A.02*

History: *27 SR 1425; 28 SR 1636; 30 SR 422; 33 SR 476; 42 SR 736*

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