Engagement Acceptance Flowchart

This flowchart sets out the engagement acceptance considerations the practitioner makes before accepting an engagement:

Is management able to inform you of the intended use of the compiled financial information, including whether that information is intended to be used by a third party?

No → **Yes** ↓

Is the third party in a position to request and obtain more information from the entity?

No ↓ **Yes** →

Has the third party agreed with management on the basis of accounting to be applied in the preparation and presentation of the compiled financial information?

No → You can either:

Yes ↓

You can either:

Not accept the engagement.

OR

Accept the engagement if the compiled financial information is expected to be prepared and presented:
- as a forecast, and not a projection or pro forma, and
- using a basis of accounting described in paragraph 28(ii) of proposed CSRS 4250.

You can accept the engagement to compile financial information using a basis of accounting described in paragraph 7 of proposed CSRS 4250.

Before starting the engagement:
- Obtain an acknowledgment from management of the basis of accounting expected to be applied in the preparation and presentation of the compiled financial information; and
- Agree to the terms of the engagement with management.