

New Auditing Standards:

SAS Nos. 142-145

Course Description

The objective of this course is to address the new auditing standards issued by the Auditing Standards Board as SAS Nos. 142-145.

The first segment of the course addresses SAS No. 142's expanded guidance on what comprises audit evidence in a financial statement audit. Topics include: evaluating audit evidence; testing audit evidence; relevance and reliability of audit evidence including its source; susceptibility to management bias; corroborative or contradictory information; evaluating whether information is sufficiently precise and detailed for the auditor's purposes; and use of automated tools and techniques.

The second segment is a review of SAS No. 143's guidance on accounting estimates including the degree of estimation uncertainty; risk assessment procedures related to accounting estimates; identifying and assessing the risks of material misstatement including responses to the assessment; indicators of possible management bias, and more.

The third segment consists of a review of SAS No. 144's changes to auditing standards in connection with use of specialists (management and auditor specialists) and use of price information obtained from external sources.

The final section addresses significant changes made by SAS No. 145 to the auditor's understanding of an entity and its environment and the assessment of risks of material misstatement.

Completion Deadline & Exam: This course, including the examination, must be completed within one year of the date of purchase.

Course Level: Overview. This program is appropriate for professionals at all organizational levels.

CPE Credits: 4 (CPA)

Category: Auditing

Prerequisite: General understanding of GAAP.

Advanced Preparation: None

Course Learning Objectives

1. Identify an example of an attribute of information obtained as audit evidence
2. Recognize actions an auditor should perform in evaluating information used as audit evidence
3. Recognize attributes of information to be used as audit evidence
4. Identify an attribute that affects the reliability of information used as audit evidence

5. Recall functions on which an auditor can use automated tools and techniques
6. Identify an example of an accounting estimate related to classes of transactions, account balances and disclosures identified in SAS No. 143
7. Recognize how inherent and control risks should be assessed in accordance with SAS No. 143
8. Recognize an example of an inherent risk factor
9. Identify examples of the approaches that can be performed in assessing the risks of material misstatement from accounting estimates
10. Recall one of the amendments made to AU-C 501 by SAS No. 145 in connection with using the work of an external inventory-taking firm
11. Identify some instances in which an auditor may conclude that a specialist's work is not adequate
12. Identify a type of risk assessment procedure that an auditor can use in accordance with SAS No. 145
13. Recall examples of risk assessment procedures that an auditor may perform in SAS No. 145
14. Recognize how to perform risk assessment procedures when relying on information obtained from previous experience with an entity
15. Identify examples of risk assessment procedures to obtain audit evidence in accordance with SAS No. 145
16. Recognize a new requirement made by SAS No. 145 in connection with assessing inherent risk and control risk in an audit, and
17. Identify how an auditor should respond if the auditor does not plan to test the operating effectiveness of an entity's controls.