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Course Information

Course Title: *Auditing Developments* # 312221

New SAS Nos. 134-143 and SSAE Nos. 19-22, and COVID-19 Reporting Issues

Recommended continuing education credit hours for this course:

In accordance with the standards of the National Registry of CPE Sponsors, CPE credits have been granted based on a 50-minute hour.

CPA: 16 (Accepted in all states)

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National Registry of CPE Sponsors ID Number: 107615.

Sponsor numbers for states requiring sponsor registration:

Florida Division of Certified Public Accountancy: 4761 (Ethics #11467)

Hawaii Board of Public Accountancy: 14003

New York State Board of Accountancy (for ethics): 002146

Ohio State Board of Accountancy: M0021

Pennsylvania Board of Accountancy: PX178025

Texas State Board of Accountancy: 009349

Course Description

The objective of this course is to address the latest developments affecting 2020 and 2021 audit engagements, including the impact of COVID-19 on audit engagements.

Topics include: addressing the auditor's consideration of the business and economic environment in which the client operates; accounting and auditing engagement issues during COVID-19 including the impact of the pandemic on an entity's ability to continue as a going-concern; client and employee fraud; specific accounting risks for auditors to consider; limiting auditor's liability; key audit focus areas during volatile times; lessons from litigation; efficiency engagements to reduce auditor time; various practice issues related to audits; dealing with DOL audits of employee benefit plans; and more.

Additionally, in this course, auditors will learn about the new auditor's report, auditing estimates and audit evidence guidance found in SAS Nos. 134-143, and the new attestation standards found in SSAE Nos. 19-22.

The course focuses recalling, recognizing and identifying rules related to auditing standards including new developments pertaining to those standards.

Program Delivery Method: Self-Study (NASBA QAS Self-Study/interactive)

Subject Codes/Field of Study: Auditing

Course Level, Prerequisites, and Advance Preparation Requirements

Level of knowledge: Overview

Prerequisite: General understanding of auditing standards

Advance Preparation: None

Course Content

Course publication/revision date: 3/25/2021

Author: Steven C. Fustolo, CPA, MBA.

Final Exam (online): Eighty multiple-choice questions

Instructions for taking this course

Note: Download and save the PDF of this course to your computer for future reference, and to enable the search function (Menu: Edit>Find) and bookmarks (icon on left side of document window) for easier navigation.

You must complete this course within one year of the date of purchase (if you do not complete the course within one year, contact us to determine whether an updated edition of the course is available, in which case we will provide you with a PDF of the updated course and the online exam at no charge).

A passing grade of at least 70% is required on the final exam for this course. You may retake the exam if you do not pass it on the first attempt (no charge).

Complete the course by following the learning objectives listed on the following pages, studying the text, and studying the review questions and suggested solutions at the end of each major section. Once you have completed studying the text and you are confident that the learning objectives have been met, answer the final exam questions.

Instructions for Taking the Final Exam Online

- Login to your account online at www.bhfe.com.
- Go to "My Account" and view your course.
- The exam may be started, stopped, then resumed at a later date.
- The exam is "open book," it is not timed, and it may be retaken if not passed on the first attempt (no charge).
- Results (correct, incorrect answers) and certificate appear immediately upon passing the exam.

Have a question? Call us at 800-588-7039 or email us at contact@bhfe.com.

Learning Objectives

Section 1:

After reading the Section 1 course material, you will be able to:

- Identify an example of a concentration which might require disclosure
- Recall the definition of near term
- Identify the net operation loss rules under the CARES Act
- Recognize a key characteristic of a multi-employer pension plan
- Identify the most obvious approach to account for a PPP loan under GAAP
- Recall how an entity should account for PPP loan forgiveness
- Identify a scenario in which it would be impracticable for an auditor to attend a physical inventory
- Recognize an advantage of remote auditing
- Recognize a behavioral trait of most occupational fraudsters
- Recognize the difference between fraud and an error
- Recall the three conditions of the fraud triangle
- Identify common types of financial statement fraud noted by the FBI
- Recognize an example of a misappropriation of assets
- Identify an additional procedure required to deal with the risk of management override of internal controls
- Recognize a factor to consider in evaluating going concern of an entity
- Recall how an investment in equity security should be accounted for under GAAP
- Recognize the new sales tax rules in the wake of the Wayfair decision
- Recognize an example of a coverage ratio
- Recall the timeframe within which most lawsuits against auditors occur
- Identify a recommendation to tighten up auditor workpapers

Section 2:

After reading the Section 2 course material, you will be able to:

- Identify a suggestion for an auditor that reduces time and increases audit efficiency
- Recognize when negative accounts receivable confirmations should not be used
- Identify the form of a comfort letter that would be appropriate for an accountant to make to a lender
- Recall the rule for an auditor presenting his or her city and state on the audit report
- Identify the rules for an auditor communicating deficiencies found in an audit
- Recognize an example of a result that can occur if there is a problem with a DOL employee benefit plan audit
- Identify a type of fraudster
- Recall the location of certain sections in the auditor's report
- Recognize the categorization of an adverse opinion
- Identify a change that SAS No. 136 makes to the limited-scope ERISA audit
- Recognize one of the changes made by AU-C 703 to ERISA audits
- Recall the reporting requirement when an auditor obtains other information in an audit
- Identify a reference that is made in the new definition of materiality
- Recognize the definition of certain types of paragraphs made by SAS No. 139

- Recognize an example of an attribute of information obtained as audit evidence per SAS No. 142
- Identify an attribute of audit evidence referenced in SAS No. 142
- Identify how inherent and control risk should be assessed under the SAS No. 143 requirements
- Recall the three approaches that an auditor can use to perform further audit procedures required by SAS No. 143
- Identify a change made by SSAE No. 19
- Recognize one of the four types of engagements within SSAE No. 21's new definition of attestation engagement
- Identify an example of subject matter that is within the scope of SSAE No. 22's review

ABOUT THE AUTHOR

STEVEN C. FUSTOLO, CPA

Mr. Fustolo is a partner with the Boston CPA firm of James J. Fox & Company. He is a frequent lecturer and author of numerous tax and accounting issues affecting closely held businesses. An AICPA author, Mr. Fustolo's articles have been featured in *The Practical Accountant* and other publications. He is the author of numerous books and publications including: *Practice Issues: Compilation and Review*, *Accounting and Auditing Reference Guide*, *Everything You Never Wanted to Know About GAAP*, *Enron: Fraud, Deception and the Aftermath*, *FASB Review for Industry*, *Current Developments: Accounting and Financial Reporting*, *Making Money with Special Engagements*, *Understanding the Variable Interest Entity Rules*, *FASB, SSARS and SAS Update and Review*, *Tax Basis Accrual Financial Statements*, *Accounting for the New Lease Standard*, and numerous other books and manuals that have been published by Practitioners Publishing Company (PPC) and Commerce Clearing House (CCH.) Mr. Fustolo's recent best-selling courses entitled *The Impact of the Tax Cuts and Jobs Act on GAAP and Financial Reporting*, *Implementing the New Revenue Standard (ASC 606)-Guidance for Private Companies*, and *Accounting and Financial Reporting for COVID-19 and the CARES Act*, have received accolades from the financial media. Mr. Fustolo is the recipient of several Outstanding Discussion Leader awards from many professional organizations including the New York and Florida Societies of CPAs. Mr. Fustolo's course entitled *FASB, SSARS and SAS Update and Review* continues to be regarded as one of the top live CPE programs in the country today with ratings that average 4.91 on a scale of 5.0. He speaks regularly for professional groups including being a guest lecturer at the AICPA Advanced Accounting and Auditing Technical Symposium. Mr. Fustolo is the recipient of the Elijah Watts Sells Award (AICPA) and Silver Medal (Massachusetts) for scores received on the CPA Examination.

This publication is designed to provide accurate and authoritative information in regard to the subject matter covered. It is sold with the understanding that the author and sponsor are not engaged in rendering legal, accounting, or other professional service. If legal advice or other expert assistance is required, the services of a competent professional person should be sought-- *From a Declaration of Principles jointly adopted by a Committee of the American Bar Association and a Committee of Publishers and Associations.*

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