



BEACON HILL
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Course Information

Course Title: *Auditing Developments-2024*
New SAS Nos. 142-149 (Items 20 and 20E)

312224

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)

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

National Registry of CPE Sponsors ID Number: 107615.

Sponsor numbers for states requiring sponsor registration:

Florida Division of Certified Public Accountancy: 0004761 (Ethics #0011467)

Hawaii Board of Public Accountancy: 14003

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

Ohio State Board of Accountancy: CPE .51 PSR

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 2023 and 2024 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 post-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 auditing estimates, obtaining audit evidence, changes made to the auditor's understanding of the entity and its environment, risk assessment procedures, using the work of specialists as audit evidence, changes to compliance audits, and more. These changes are found in newly issued SAS Nos. 142-149.

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

Course Content

Course publication/revision date: 4/5/2024

Author: Steven C. Fustolo, CPA, MBA.

Final Exam (online): Eighty multiple-choice questions

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

Instructions for Taking This Course

- Log in to your secure account at www.bhfe.com. Go to "My Account."
- You must complete this course within one year of purchase (If the course is "Expired," contact us and we will add the latest edition of the course to your account (no charge).
- **To retain the course-PDF after completion (for future reference) and to enable enhanced navigation:** From "My Account," Download and save the course-PDF to your computer. This will enable the search function (Menu: Edit>Find) and bookmarks (icon on left side of document window).
- **Complete the course by** following the learning objectives listed for the course, studying the text, and, if included, studying the review questions at the end of each major section (or at the end of the course).
- **Once you have completed studying the course** and you are confident that the learning objectives have been met, answer the final exam questions (online).

Instructions for Taking the Online Exam

- Log in to your secure account at www.bhfe.com. Go to "My Account."
- A passing grade of at least **70%** is required on the exam for this course.
- You will have three attempts to pass the exam (call or email us after three unsuccessful attempts for instructions).
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- For a printed copy of the exam questions, open the exam and press "Print Exam."
- Once you pass the exam, the results (correct/incorrect answers) and certificate of completion appear in "My Account." A confirmation email is also sent.
- CFP Board and IRS credit hours, if applicable, are reported on Tuesdays and at the end of the month.

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 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 reducing time and increasing 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
- Recognize an example of an attribute of information obtained as audit evidence per 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 some instances in which an auditor may conclude that a specialist's work is not adequate
- Identify a type of risk assessment procedure that an auditor can use in accordance with SAS No. 145
- Recall examples of risk assessment procedures that an auditor may perform in SAS No. 145
- Recognize how to perform risk assessment procedures when relying on information obtained from previous experience with an entity
- Identify examples of risk assessment procedures to obtain audit evidence in accordance with SAS No. 145
- Recognize a new requirement made by SAS No. 145 in connection with assessing inherent risk and control risk in an audit, and
- Identify how an auditor should respond if the auditor does not plan to test the operating

- effectiveness of an entity's controls
- Recall the date by which an engagement partner must take responsibility for determining that ethical requirements are fulfilled
- Identify certain requirements an engagement partner must satisfy in performing an audit engagement
- Recognize examples of resources assigned or made available by a firm to support performance of an audit engagement
- Identify a type of unconscious bias defined in SAS No. 146
- Recall a possible action that an engagement team may take to mitigate impediments to exercise professional skepticism
- Identify when a successor auditor should request management to authorize a predecessor auditor's response to the successor auditor's inquiry
- Recognize one of the new inquiries a successor auditor should make of a predecessor auditor by SAS No. 147
- Recall the extent of a predecessor auditor's response to a successor auditor's inquiries when there are certain restrictions on the predecessor auditor
- Identify an example of a recently issued auditing standard that SAS No. 148 incorporates into amendments to AU-C 935, *Compliance Audits*
- Recognize one of the five components of a system of internal control identified in SAS No. 145 and incorporated into Au-C 935 by SAS No. 148 amendments
- Recall examples of inherent risk factors related to identifying and assessing risks of material misstatement in a compliance audit
- Identify the party required to take overall responsibility for the quality on a group audit engagement in accordance with SAS No. 149.

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.

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