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Course Information

Course Title:

Major Changes to Auditing Standards Auditing Standards Board Clarity Project SAS Nos. 122-129 # 3128

Recommended number of 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: 8 (All states)

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: 002146

Ohio State Board of Accountancy: M0021

Texas State Board of Accountancy: 009349

Course Description

This course explains the significant changes made to auditing standards by the Auditing Standards Board's Clarity Project that resulted in the issuance of SAS Nos. 122-129. The course is written in a format that provides an overview by allowing the reader to review, recall and identify key provisions within the new standards.

Program Delivery Method: 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: 2/28/2015

Author: Steven C. Fustolo, CPA, MBA.

Final Exam (online): Forty multiple-choice questions

Instructions for taking this course

In order to receive CPE credit for this course, you must complete the course within one year of the date of purchase. This includes achieving a passing grade of at least 70% on the final exam. The exam may be retaken if not passed on the first attempt (no charge)

Complete the course by following the learning assignments and objectives on the following page, and studying the review questions at the end of each major section. Once you have completed each learning assignment and you are confident that the learning objectives have been met, answer the final exam questions (online).

Instructions for Taking the Final Exam Online

- Login to your account online at www.bhfe.com.
- Go to "My Account" and view your courses.
- Select "Take Exam" for this course and follow instructions.

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

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Mr. Fustolo is a partner with the Boston CPA firm of James J. Fox & Company and Director of the National Tax Institute, Inc. He is a frequent lecturer and author of numerous tax and accounting issues affecting closely held businesses. An AICPA author, Mr. Fustolo's articles are regularly featured in *The Practical Accountant* and other publications. He is the author of *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*, and *FASB, SSARS and SAS Update and Review* and numerous other books and manuals that have been published by Practitioners Publishing Company (PPC) and Commerce Clearing House (CCH). He 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 receive accolades and is 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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Learning Objectives

As a result of studying each assignment, you should be able to meet the objectives listed below for each individual assignment.

- Recall the structure of the new ASB Clarity Project and how each new standard is segregated
- Identify categories of laws and regulations that are found in AU-C 250
- Identify the scope of communications an auditor should make with respect to noncompliance with laws and regulations
- Identify some of the different types of deficiencies in internal control found in a financial statement audit
- Identify the indicators that may suggest there is a material weakness in internal control
- Identify the information that should be included in a communication of certain deficiencies in internal control
- Recognize the new audit report title
- Identify examples of headings that should be in the new auditor report
- Recall some of the modified opinion headings found in the new audit report
- Identify the new type of paragraph that is permitted in the audit report
- Identify some examples of where an emphasis-of-matter paragraph is required in the audit report
- Identify the new group auditor rules including the responsibilities of parties involved, and the procedures to be performed
- Identify the different types of special purpose frameworks permitted under the new auditing standards
- Identify some of the elements that are required in the different types of special purpose reports
- Identify the general types of disclosures required in special purpose framework financial statements
- Identify how an auditor can evaluate “professional judgment”
- Recognize some of the elements that must be in an engagement letter
- Identify the requirements that a successor auditor must satisfy in an initial audit engagement involving opening balances
- Identify an instance in which it may be necessary for an auditor to obtain a positive confirmation
- Identify when an auditor may not be required to use external confirmation procedures
- Recognize the definition of fraud
- Recognize some of the procedures an auditor should design and perform to identify litigation, claims and assessment
- Identify at least one procedure an external auditor should perform with respect to internal auditors

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