



# BEACON HILL

## FINANCIAL EDUCATORS

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### Course Information

#### Course Title:

***New Auditing Standards SAS 142-145***

***# 314122***

#### 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: 4 (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 (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 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.

## Course Content

Course publication/revision date: 3/15/2022

Author: Steven C. Fustolo, CPA, MBA.

Final Exam (online): twenty multiple-choice questions

**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 compilation and review standards

Advance Preparation: None

## Instructions for Taking This Course

- Log in to your secure account at [www.bhfe.com](http://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](http://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).
- The exam is not timed, and it does not need to be completed in one session.
- 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](mailto:contact@bhfe.com).

## **LEARNING ASSIGNMENTS and OBJECTIVES**

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

### **A. ASSIGNMENT AND SUBJECT**

1. Review the materials
2. Study the review questions and suggested solutions throughout the materials
3. Answer the Review Questions compare your answers to the Suggested Solutions

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

- Identify an example of an attribute of information obtained as audit evidence
- Recognize actions an auditor should perform in evaluating information used as audit evidence
- Recognize attributes of information to be used as audit evidence
- Identify an attribute that affects the reliability of information used as audit evidence
- Recall functions on which an auditor can use automated tools and techniques
- Identify an example of an accounting estimate related to classes of transactions, account balances and disclosures identified in SAS No. 143
- Recognize how inherent and control risks should be assessed in accordance with SAS No. 143
- Recognize an example of an inherent risk factor
- Identify examples of the approaches that can be performed in assessing the risks of material misstatement from accounting estimates
- 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
- 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.

## About the Author

### STEVEN C. FUSTOLO, CPA

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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