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## Course Information

**Course Title:**

***SAS No.146-148: Recently Issued Auditing Standards***

**# 314423**

**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: 2 (All states)**

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: M0021

Pennsylvania Board of Accountancy: PX178025

Texas State Board of Accountancy: 009349

## Course Description

The objective of this course is to review three recently issued auditing standards: SAS Nos. 146-148.

The first section reviews the requirements found in SAS No. 146 related to quality management of an audit engagement. This section identifies the key elements of quality management, the important role and responsibilities of the engagement partner in managing the audit, the importance of quality to all members of the audit engagement team.

The section informs the reader of the various changes made to AU-C 210, *Terms of Engagement*, by SAS No. 147 in connection with fraud and noncompliance with laws and regulations. Topics including clarifying requirements and guidance related to a successor auditor's inquiries of a predecessor auditor, responsibilities of the predecessor auditor to respond to successor auditor inquiries when authorized by management, and more.

Finally, the section discuss amendments made to AU-C 935, *Compliance Audits*, by SAS No. 148, to reflect changes made by recently issued auditing standards SAS No. 142 and 145. Topics include identifying the specific amendments made to AU-C 935 that are part of AU-C 315, *Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement*. The course also identifies amendments to the appendix to AU-C 935 that identifies AU-C sections that are specific excluded from application to compliance audits.

## Course Content

Course publication/revision date: 4/1/2023

Author: Steven C. Fustolo, CPA, MBA.

Final Exam (online): Ten 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 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 Objectives

### A. ASSIGNMENT AND SUBJECT

1. Review the materials for SAS No. 146
2. Study the review questions and suggested solutions throughout the materials
3. Answer the Review Questions and compare your answers to the Suggested Solutions

After reading the course material on SAS No. 146, you will be able to:

- 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

## **B. ASSIGNMENT AND SUBJECT**

1. Review the materials for SAS No. 147
2. Study the review questions and suggested solutions throughout the materials
3. Answer the Review Questions and compare your answers to the Suggested Solutions

After reading the course material on SAS No. 147, you will be able to:

- 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.

## **C. ASSIGNMENT AND SUBJECT**

1. Review the materials for SAS No. 148
2. Study the review questions and suggested solutions throughout the materials
3. Answer the Review Questions and compare your answers to the Suggested Solutions

After reading the course material on SAS No. 148, you will be able to:

- Identify an example of a recently issued auditing standard that SAS No. 148 incorporates into amendments to AU-C 935, *Compliance Audits*.
- Recall examples of inherent risk factors related to identifying and assessing risks of material misstatement in a compliance audit.

## 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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