



51A Middle Street, Newburyport, MA 01950

Phone: 800-588-7039

[contact@bhfe.com](mailto:contact@bhfe.com)

[www.bhfe.com](http://www.bhfe.com)

## Course Information

---

**Course Title:** *Going Concern Audit Issues* #372124

**Number of continuing education credit hours recommended for this course:**

**CPA:** 1 (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 Accountancy: 14003

New York State Board of Accountancy: 002146

Ohio State Board of Accountancy: CPE .51PSR

Pennsylvania Board of Accountancy: PX178025

Texas State Board of Accountancy: 009349

### Course Description

One of the most essential elements of an audit is the determination of whether a client can continue as a going concern. This course helps the auditor navigate through the going concern topic by covering all related accounting and auditing pronouncements and providing multiple disclosure examples. It also itemizes a number of best practices to improve the process of identifying going concern situations and evaluating management remediation plans.

### Course Content

Publication/Revision date: 2/22/2024.

Author: Steven M. Bragg, CPA.

Final exam (online): Five questions (multiple-choice).

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

### Subject Codes/Field of Study

NASBA (CPA): Auditing

## Course Level, Prerequisites, and Advance Preparation Requirements

Program level: Overview

Prerequisites: None

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 Assignment & Objectives

---

- Recognize the criteria for a going concern evaluation.
- Identify what constitutes an adverse condition or event.
- Specify the unique characteristics of the liquidation basis of accounting.
- Recognize audit procedures associated with the going concern topic.
- Identify the going concern documentation requirements for the auditor.

## About the Author

---

**Steven Bragg, CPA**, has been the chief financial officer or controller of four companies, as well as a consulting manager at Ernst & Young. He received a master's degree in finance from Bentley College, an MBA from Babson College, and a Bachelor's degree in Economics from the University of Maine. He has been a two-time president of the Colorado Mountain Club, and is an avid alpine skier, mountain biker, and certified master diver. Mr. Bragg resides in Centennial, Colorado. He has written more than 250 books and courses, including *New Controller Guidebook*, *GAAP Guidebook*, and *Payroll Management*.

Copyright © 2023 by AccountingTools, Inc. All rights reserved.

Published by AccountingTools, Inc., Centennial, Colorado.

No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, except as permitted under Section 107 or 108 of the 1976 United States Copyright Act, without the prior written permission of the Publisher. Requests to the Publisher for permission should be addressed to Steven M. Bragg, 6727 E. Fremont Place, Centennial, CO 80112.

**Limit of Liability/Disclaimer of Warranty:** While the publisher and author have used their best efforts in preparing this book, they make no representations or warranties with respect to the accuracy or completeness of the contents of this book and specifically disclaim any implied warranties of merchantability or fitness for a particular purpose. No warranty may be created or extended by written sales materials. The advice and strategies contained herein may not be suitable for your situation. You should consult with a professional where appropriate. Neither the publisher nor author shall be liable for any loss of profit or any other commercial damages, including but not limited to special, incidental, consequential, or other damages.

# Table of Contents

---

<b>Going Concern Audit Issues</b> .....	<b>1</b>
Introduction .....	1
Going Concern Issues for the Reporting Entity .....	1
Disclosures When Substantial Doubt is Alleviated.....	3
Disclosures When Substantial Doubt is Not Alleviated.....	3
Governmental Going Concern Issues.....	5
The Liquidation Basis of Accounting .....	6
Auditor Responsibilities Relating to the Going Concern Issue .....	7
Risk Assessment Procedures .....	8
Written Representations.....	10
Adequacy of Disclosures .....	10
Auditor’s Report Issues .....	10
Comparative Financial Statements .....	11
Interim Financial Statements .....	11
Re-issued Financial Statements .....	11
Communications Issues .....	11
Inherent Limitations .....	12
Documentation .....	12
Auditor Best Practices .....	12
Summary.....	14
Review Questions.....	15
<b>Answers to Review Questions</b> .....	<b>16</b>
<b>Glossary</b> .....	<b>17</b>
<b>Index</b> .....	<b>18</b>