

AUDITING PROCEDURES AND STANDARDS

CHAPTER 1 AUDITING PROCEDURES

LEARNING OBJECTIVES

After studying this chapter, you will be able to:

1. Differentiate between auditing and accounting.
2. Explain the three types of audits.
3. Identify the five components of internal control.
1. Describe how information technology affects internal control.
1. Describe the process of designing and performing tests of controls.
2. List the types of substantive procedures.
3. Explain methods used to obtain an understanding of internal control.
4. Design an audit plan.
5. Describe the five conditions required to issue the standard unqualified audit report.
6. Determine the appropriate audit report for a given audit situation.

CHAPTER 2 COMPILATION, REVIEW, AND OTHER REPORTING SERVICES

LEARNING OBJECTIVES

After studying this chapter, you will be able to:

1. Distinguish between a compilation and a review.
2. Outline the steps involved in the compilation engagement and the review engagement.
3. Compile pro forma financial information.
4. Differentiate among attest engagements, examination engagements, and review engagements.
5. Distinguish between combined reporting on financial statements and management's report on internal control over financial reporting.
6. Report on controls at a service organization
7. Discuss the reporting requirements for comparative statements.
8. Describe the situations in which special reports are prepared.

CHAPTER 3 AUDITING STANDARDS

LEARNING OBJECTIVES

After studying this chapter, you will be able to:

1. Outline the major practical provisions of the Statements on Auditing Standards (SASs-AUs) and Auditing Standards (ASs) of the Public Company Accounting Oversight Board (PCAOB) not previously covered.
2. Discuss SAS 99-AU 316, *Consideration of Fraud in a Financial Statement Audit*.
3. Summarize some major provisions that cover audit documentation, audit evidence, audit risk and materiality, and material misstatements.
4. List the PACOB's new auditing standards (AS 1, AS 3 through AS 15).
5. Describe AS 5, *An Audit of Internal Control over Financial Reporting That Is Integrated with an Audit of Financial Statements*
6. State the impact that the Sarbanes-Oxley Act of 2002 (SOX) has on independent auditors of publicly traded entities.