

Auditor's Risk Assessment Process: Tackling the Risk Assessment SASs

The risk assessment standards in SAS Nos. 104 through 111 substantially impact the way audits are performed. They represent a major shift in the auditor's risk assessment process for audits of non-public entities. The requirements and guidance will result in more effective audits by enhancing the auditor's application of the audit risk model in practice. Learn the requirements that significantly enhance the quality and depth of the understanding of the entity and its environment, including its internal control system. Gain an understanding of how the new standards differ from existing standards and what needs changing, from planning through final field work phases. Learn what procedures are now required to respond to assessed risks. Also learn how the documentation standards in SAS No. 103 and the required communication of internal control-related matters in SAS No. 115 fit into the typical audit process.

OBJECTIVES

Upon completion of this course, participants will be able to:

- Recognize how the new risk assessment standards differ from existing standards and how these differences will significantly affect an audit practice
- Develop a more in-depth understanding of the entity and its environment, including its system of internal control
- Identify the risks of material misstatement in the financial statements and what the entity is doing to mitigate them
- Provide a more rigorous assessment of the risks of material misstatement
- Improve the linkage between the assessed risks and the nature, timing and extent of audit procedures performed in response to those risks

HIGHLIGHTS

- Significantly enhancing the quality and depth of the understanding of the entity and its environment, including its internal control
- Assessing the risks of material misstatement at the financial statement level and at the assertion level on all audits based on the understanding obtained
- Elimination of the common default to "maximum control risk" assessment and the ability to avoid documenting the basis for that conclusion in an effort to encourage testing of controls
- Placing a much greater emphasis on the entity's risk assessment process
- Improved linking of assessed risks and audit procedures responsive to those risks
- Emphasis on testing of disclosures
- Significantly expanded requirements for documentation

WHO WILL BENEFIT

- Practitioners who perform audits of non-public entities
- Industry CPAs interested in the requirements of the new risk assessment standards

LEVEL

Basic

CPE CREDIT HOURS

Classroom: 8
(Accepted for CMA and CFM continuing education credit)

NASBA FIELD OF STUDY

8-Auditing

PREREQUISITE

None

UPDATED CONTENT AVAILABLE

5/15/2010

COURSE ACRONYM

Public Seminar: ARAP
On-Site Training: ARAP