2007年cpa审计英语辅导讲义(一) PDF转换可能丢失图片或格式，建议阅读原文

https://www.100test.com/kao_ti2020/448/2021_2022_2007_E5_B9_B4cpa_c45_448673.htm Auditing 1. Assurance engagements and external audit ◇Materiality, true and fair presentation, reasonable assurance Materiality is the magnitude of an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would have been changed or influenced by the omission or misstatement. An auditor must consider materiality both in (1) planning the audit and designing audit procedures and (2) evaluating audit results. ◇Appointment, removal and resignation of auditors ◇Types of opinion: standard unqualified opinion, Unqualified with additional explanatory language, qualified opinion, adverse opinion, disclaimer of opinion ◇Professional ethics: independence, objectivity, integrity, professional competence, due care, confidentiality, professional behavior ◇Engagement letter 2. Planning and risk assessment ◇General principles ○Plan and perform audits with an attitude of professional skepticism ○Audit risks = inherent risk × control risk × detection risk (1) Inherent risk refers to the likelihood of material misstatement of an assertion, assuming no related internal control. This risk differs by account and assertion. (2) Control risk is the likelihood that a material misstatement will not be prevented or detected on a timely basis by internal control. This risk is assessed using the results of tests of control. (3) Detection risk is the likelihood that an auditor ' s procedures lead to an improper conclusion that no material misstatement exists in an assertion when in fact such a misstatement does exist. The auditor ' s substantive tests are primarily relied upon to restrict detection risk. ○Risk-based approach ◇Understanding the entity and knowledge of the business The CPA should obtain a level of knowledge of the client ' s business that will enable effective planning and performance of the audit in accordance with generally accepted auditing standards. This knowledge helps the auditor in (1) Identifying areas that may need special consideration (2) Assessing conditions under which accounting data are produced, processed, reviewed and accumulated (3) Evaluating accounting estimates for reasonableness (e.g., valuation of inventories, depreciation, allowance for doubtful accounts, percentage of completion of long-term contracts) (4) Evaluating the reasonableness of management representations (5) Making judgments about the appropriateness of the accounting principles applied and the adequacy of disclosures ◇Assessing the risks of material misstatement and fraud ○Materiality (level), tolerable error ◇Analytical procedures Analytical procedures are normally used at three stages of the audit: (1) planning, (2) substantive testing, and (3) overall review at the conclusion of an audit. They are required during the planning and overall review stages. Analytical procedures used for 3 purposes: (1) Planning nature, timing, and extent of other auditing procedures (2) Substantive tests about particular assertions (3) Overall review in the final stage of audit ◇Planning an audit ◇Audit documentation:

working papers ◇The work of others ○Rely on the work of experts ○Rely on the work of internal audit 3. Internal control Internal control is a process effected by an entity ’ s board of directors, management, and other personneldesigned to provide reasonable assurance regarding the achievement of objectives in the following categories: (1) reliability of financial reporting, (2) effectiveness and efficiency of operations, and (3) compliance with applicable laws and regulations. Five components of internal control (1) control environment (2) risk assessment (3) control activities (4) information and communication (5) monitoring ◇The evaluation of internal control systems ○Tests of control ○Substantive procedures (time, nature, extent) ◇Transaction cycles: revenue, purchases, inventory, etc. 4. Audit evidence ◇Obtain sufficient, appropriate audit evidence ◇Assertions contained in the financial statements: completeness, occurrence, existence, measurement, presentation and disclosure, rights and obligations, valuation ◇The audit of specific items ○Receivables: confirmation ○Inventory: counting, cut-off, confirmation of inventory held by third parties ○Payables: supplier statement reconciliation, confirmation ○Bank and cash: bank confirmation ◇Auditing sampling 5. Review ◇Subsequent events ◇Going concern ◇Management representations ◇Audit finalization and the final review: unadjusted differences 6. Reporting 