

## Learning Objectives

- Identify an example of an attribute of information obtained as audit evidence
- Recognize actions an auditor should perform in evaluating information used as audit evidence
- Recognize attributes of information to be used as audit evidence
- Identify an attribute that affects the reliability of information used as audit evidence
- Recall functions on which an auditor can use automated tools and techniques
- Identify an example of an accounting estimate related to classes of transactions, account balances and disclosures identified in SAS No. 143
- Recognize how inherent and control risks should be assessed in accordance with SAS No. 143
- Recognize an example of an inherent risk factor,
- Identify examples of the approaches that can be performed in assessing the risks of material misstatement from accounting estimates.

## Topics Covered

### **SAS No. 142: Audit Evidence**

- I. Objective
  - II. Introduction
    - A. Overview
    - B. Issuance of SAS No. 142
  - III. Scope of SAS No. 142
    - A. General
  - IV. Definitions
  - V. Requirements of SAS No. 142
    - A. General
    - B. Evaluating Information to be Used as Audit Evidence
    - C. Basis for Concluding on the Sufficiency and Appropriateness of Audit Evidence
    - D. Use of Automated Tools and Techniques
    - E. Inconsistencies in, or Doubts About the Reliability of, Audit Evidence
- EXHIBIT A

### **SAS No. 143: Auditing Accounting Estimates and Related Disclosures**

- I. Objective
  - II. Introduction
    - A. General
  - III. Overview of SAS No. 143
    - A. General
    - B. Degree of Estimation Uncertainty
    - C. Key Concepts Found in SAS No. 143
  - IV. Scope of SAS No. 143
    - A. General
  - V. Definitions Used in SAS No. 143
  - VI. Requirements of SAS No. 143
    - A. Risk Assessment Procedures and Related Activities
    - B. Identifying and Assessing the Risks of Material Misstatement
    - C. Auditor Responses to the Assessed Risks of Material Misstatement
    - D. Evaluating Indicators of Possible Management Bias
    - E. Perform an Overall Evaluation Based on Audit Procedures Performed
    - F. Communication with Those Charged with Governance, Management, or Other Relevant Parties
    - G. Audit Documentation
    - H. Changes to Management Representation Letter
- EXHIBIT A- The Revised Management Representation Letter  
EXHIBIT B- Communications with Those Charged with Governance  
EXHIBIT C- Understanding the Entity's Internal