

AUDITWATCH TRAINING SOLUTIONS

PPC METHODOLOGY ESSENTIALS

POWERED BY AUDITWATCH

This course provides practical guidance from AuditWatch's expert consultants on how to conduct efficient and effective audits using PPC's *Guide to Audits of Nonpublic Companies*. The course highlights the latest implementation guidance from standard setters and best practices using the current PPC practice aids.

Major topics include: risk assessment, formulating the audit strategy, audit planning, evaluating and testing internal controls, designing and performing further audit procedures, audit sampling, wrapping up the engagement, and documentation.

REQUIRED KNOWLEDGE AND EXPERIENCE: Basic audit knowledge and experience

COURSE TYPE: Seminar

COURSE LENGTH: 4 webinars in 2-hour segments or 8 hours onsite or webinar

ADVANCED PREP: None

RECOMMENDED CPE CREDIT: 8 hrs.

COURSE LEVEL: Intermediate

FIELDS OF STUDY: Auditing

MAJOR TOPICS AND LEARNING OBJECTIVES:

PPC Methodology Essentials by AuditWatch

This 4-part series provides practical guidance from AuditWatch's expert consultants on how to conduct efficient and effective audits of small businesses using PPC's *Guide to Audits of Non-public Companies*. Specifically, we will discuss best practices in the following areas:

- Understanding the entity and its environment
- Assessing the design effectiveness and verifying the implementation of key controls within the significant classes of transactions
- Using our understanding of the entity and its environment, including internal controls, to better identify and document potential material risks
- Assessing inherent and control risks to derive risks of material misstatement for the relevant assertions on the current year engagement
- Developing more effective and efficient audit in order to reduce risk of material misstatement to an acceptably low level:
 - Testing the operating effectiveness of key controls
 - Developing effective and efficient analytical procedures
 - Choosing items for tests of details (sampling, scoping)

PPC Methodology Essentials Part 1: Introduction and Planning your Engagements (2 hours)

- Describe the flow of the PPC methodology
- List steps for client acceptance and continuance
- Explain PPC form 1.1
- Describe the PPC approach for materiality
- Explain PPC Form 2.1
- List best practices for calculating and documenting materiality

PPC Methodology Essentials Part 2: Understanding the Entity and Internal Controls (2 hours)

- List steps to gain an understanding of the entity and its environment
- Identify risks of material misstatement while gaining an understanding of the entity and its environment
- Explain PPC Form 3.1
- Effectively and efficiently gain an understanding of internal controls
- Explain PPC forms 4.1, 4.2.1, 4.2.2, 4.3.1 and 4.3.2
- List best practices for understanding the entity and its environment and internal controls

PPC Methodology Essentials Part 3: Risk Assessment and Testing Internal Controls (2 hours)

- Document the team's assessment of risks of material misstatements
- Explain PPC form 7.1
- List best practices for documenting risks
- Determine when and how to test operating effectiveness of controls
- Explain PPC forms 10.1 and 10.2
- List best practices for testing internal controls

PPC Methodology Essentials Part 4: Further Audit Procedures and Wrapping-up the Engagement (2 hours)

- Describe common audit approaches when performing further audit procedures
- Explain PPC forms 8.1 and 8.2
- List best practices in performing scoping and sampling
- List the requirements for substantive analytical procedures
- List best practices in performing analytical procedures
- Explain PPC forms 9.1 and 9.2
- Evaluate misstatements and perform required responses
- Explain PPC form 12.2
- List best practices in wrapping up an engagement