

RIGHT ADVISORY

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AUDIT RISK – BEYOND THE BALANCE SHEET

The purpose of this course is to help CPAs and other audit professionals develop an understanding of the totality of risks that keep CFOs up at night. With this knowledge, auditors can better focus scope and procedures to address both balance sheet and “beyond the balance sheet” risks, with the objective of minimizing auditor risk due to unmet expectations.

Major topics include:

- *The big picture* – how investors, analysts and the media impact the strategic, tactical and governance decisions of businesses, and why such expectations should be audited.
- *The value drivers* – how businesses are valued and why audit scope should address the accuracy and achievability of value drivers.
- *Managing the board* – how auditors can best address issues facing boards in an era of high public scrutiny, and why the auditors’ own reputation can be protected by doing so.
- *Risk management* – how auditors should assess enterprise risk and address critical success factors through their procedures, not just from a perspective of “what might go wrong” - but “what must go right” to meet stakeholder expectations.
- *Economic analysis* – how auditors should apply macro- and micro-economic analysis to assess the impact of business cycles on client investment and operating decisions, including how to measure and account for the economic effects of transactions.
- *Behavioral drivers* – how auditors should assess their clients’ decision and accountability culture to determine where pressure points exist, both from a financial and political reward perspective.
- *Credibility assessment* – how auditors should critically evaluate both business and financial capability of clients to determine a “credibility score” to deliver on accountabilities and expectations.

Designed for: CPAs and other audit professionals who want to expand their knowledge of how business management and client culture could impact audit risk and the selection of audit procedures.

Level of knowledge: Intermediate, graduate studies

Field of study: Finance, auditing, economics

Instructor: Robert M. Tarola, CPA