



ACC 640 Milestone One Guidelines and Rubric

Auditing is a valuable skill in accounting and business, as the odds are very high that you or your organization will be subject to a compliance, federal, IRS, internal, government, or revenue audit at one point in your career. Accountants are required to make professional judgments on both the financial accounting issues and internal accounting forecasts within their organization. The auditor must provide fair, unbiased, materially correct information for investors, employers, employees, and independent stakeholders. This course will help you navigate the relevant processes to provide that unbiased, accurate information.

The purpose of the assessment is to familiarize you with the process of auditing and what to do with the auditing information once you have it. You will explore how to plan audit work, analyze financial statements, perform tests on that information, and properly and professionally communicate the results of an audit.

For this assessment, you should assume you are on the internal audit staff of a publicly traded company. Choose one of the following companies: Walmart, Target, Sears, Kroger, or Amazon. You will be required to obtain the last two years' worth of financial statements and a recent audit report. The internal audit group at the company is tasked with preparing for an upcoming revenue audit and analyzing the business risk internally to mitigate audit findings. You will conduct an internal audit of the company using the information gathered and create a report. Then, you will prepare appropriate memos analyzing the audit report you have prepared, while offering feedback and recommendations.

For Milestone One, you will submit a draft of the procedures required for conducting your audit process. Describe how you would conduct the audit process for the company you have chosen, including the analytical procedures you would use to investigate selected business transactions. Explain the appropriate procedures needed to determine and review high-risk business transactions for cash and revenue, and create a test to assess appropriate assertions for designated high-risk business transactions.

Prompt: Outline the procedures that will be involved in conducting the internal audit report and explain how you intend to communicate your findings. Create a test to assess appropriate assertions for designated high-risk business transactions.

Specifically, the following critical elements must be addressed:

- A. **Describe** how you would conduct the audit process, incorporating the analytical procedures you would use to investigate selected business transactions.
 - 1. What steps will you take to review the company's business transactions?
 - 2. What would your plan be to utilize these procedures?
 - 3. How would you determine the high-risk business transactions?
- B. **Explain** the appropriate procedures needed to review high-risk business transactions for cash and revenue.
 - 1. What would you need to do to investigate these?
 - 2. Could you convey this information through charts or other supporting documentation?
- C. **Create** a test to assess appropriate assertions for designated high-risk business transactions.

Rubric

Guidelines for Submission: Your paper must be submitted as a 3–4-page Microsoft Word document with double spacing, 12-point Times New Roman font, one-inch margins, and at least three sources cited in APA format.

Critical Elements	Proficient (100%)	Needs Improvement (75%)	Not Evident (0%)	Value
Procedures: Describe	Describes how the audit process would be conducted, incorporating analytical procedures for selected business transactions	Describes how the audit process would be conducted, incorporating analytical procedures for selected business transactions, but description is inaccurate or lacks detail	Does not describe the how the audit process would be conducted incorporating analytical procedures for selected business transactions	30
Procedures: Explain	Explains the appropriate procedures needed to review high-risk business transactions for cash and revenue	Explains the appropriate procedures needed to review high-risk business transactions for cash and revenue, but explanation is cursory or lacks detail	Does not explain the appropriate procedures needed to review high-risk business transactions for cash and revenue	30
Procedures: Create	Creates a test to assess appropriate assertions for designated high-risk business transactions	Creates a test to assess assertions for designated high-risk business transactions, but test is inaccurate or inappropriate	Does not create a test to assess appropriate assertions for designated high-risk business transactions	30
Articulation of Response	Submission has no major errors related to citations, grammar, spelling, syntax, or organization	Submission has major errors related to citations, grammar, spelling, syntax, or organization that negatively impact readability and articulation of main ideas	Submission has critical errors related to citations, grammar, spelling, syntax, or organization that prevent understanding of ideas	10
Earned Total				100%