



ACC 640 Milestone Three 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.

For Milestone Three, you will submit a draft of your memos to upper management. First, you will prepare a memo to be reviewed by the chief financial officer (CFO) of your chosen company that summarizes the audit process conducted. Then, you will assume the role of CFO of the company and prepare a memo to the Board of Directors as to what potential issues the external audit team might find and what the company's response should be.

Prompt: Prepare memos with your recommendations to upper management using the findings from your audit report.

Specifically, the following critical elements must be addressed:

- A. Prepare a memo to be reviewed by the chief financial officer (CFO) that summarizes the audit process.
 1. **Explain** any sampling or other audit work that could be done, and if you would recommend the company pursue this additional work. Justify your response.
 2. **Make** recommendations to the CFO on how to mitigate potential risk factors for major business transactions identified in the audit report.
- B. Assume you are now the CFO. Prepare a memo to the Board of Directors as to what potential issues the external audit team might find and what the company's response should be.
 1. **Evaluate** the findings from the audit report. Be sure to view these findings from the CFO's point of view.
 2. **Develop** a strategy to mitigate risks identified in the audit report.
 3. **Describe** how the company might implement the strategy based on the findings from the audit report.

Rubric

Guidelines for Submission: Each memo should be a 1–3-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
Memos: Explain	Explains any sampling or other audit work that could be done and if the company should pursue the additional work	Explains any sampling or other audit work that could be done and if the company should pursue the additional work, but explanation is inaccurate or inappropriate	Does not explain any sampling or other audit work that could be done and if the company should pursue the additional work	19
Memos: Make	Makes recommendations to the CFO on how to mitigate potential risk factors for major business transactions identified in the audit report	Makes recommendations to the CFO on how to mitigate potential risk factors for major business transactions identified in the audit report, but recommendations made are inappropriate or lack depth	Does not make recommendations to the CFO on how to mitigate potential risk factors for major business transactions identified in the audit report	19
Memos: Evaluate	Evaluates the findings from the audit report from the CFO's point of view	Evaluates the findings from the audit report through the CFO's point of view, but evaluation lacks depth or detail	Does not evaluate the findings from the audit report from the CFO's point of view	19
Memos: Develop	Develops a strategy to mitigate risks identified in the audit report	Develops a strategy to mitigate risks identified in the audit report, but strategy is inappropriate or lacks depth	Does not develop a strategy to mitigate risks identified in the audit report	19
Memos: Describe	Describes how the company might implement the strategy based on the findings from the audit report	Describes how the company might implement the strategy based on the findings from the audit report, but description lacks depth or detail	Does not describe how the company might implement the strategy based on the findings from the audit report	19
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	5
Earned Total				100%