

Course 501 – Personal Property Auditing – Basic to Advanced

Course Description

This course provides a foundation for understanding basic financial records, specifically related to fixed assets. The balance sheet, depreciation schedule, and income statement will be described and discussed in much detail. Emphasis will be placed on the pertinent data relevant to the personal property appraiser. In addition, the course expands to advanced discussions of accounting and auditing theory as it relates to fixed assets. Capitalization techniques will also be discussed. A case study including sample financial records will be used to “discover” fixed assets that may otherwise be hidden from the appraiser. This course includes an exam.

Objectives

Upon completion of Chapter 1, the student should be able to:

- Define the term “audit” relative to the purposes of this course.
- Identify reasons to perform an audit.
- Describe aspects of level of funding.
- Identify true statements about auditing.

Upon completion of Chapter 2, the student should be able to:

- Identify the categories of personal property.
- Identify an example of tangible personal property.
- Select an item that represents inventory.
- Identify the characteristics of an asset.
- Identify the three approaches to value.
- Define the term “replacement cost new”.
- Select the correct formula for effective age.
- Define the term “depreciation”.
- Find market value given appropriate information.
- Identify examples of fixed assets.
- Identify pros and cons of the cost approach when applied to personal property.

Upon completion of Chapter 3, the student should be able to:

- Identify the characteristics of an asset.
- Define accounting and appraisal terms.
- Identify accounting and appraisal formulas by use.
- Identify the most acceptable measure of inventory replacement cost.
- Describe basic accounting concepts and principles.

Upon completion of Chapter 4, the student should be able to:

- Identify types of property tax audits.
- Identify audit selection methods.
- Identify steps in the audit process.

Upon completion of Chapter 5, the student should be able to:

- Complete a basic personal property tax audit listing form from a given set of accounting record.

Upon completion of Chapter 6, the student should be able to:

- Identify steps in a formula audit process.

Upon completion of Chapter 7, the student should be able to:

- Define the term “discovery”.
- Determine which type of property is real or personal based on use.
- Describe SFAS 144.
- Identify reasons leasehold improvements must be classified as real or personal property.
- Identify the owner of personal property leased under an operating lease.

Upon completion of Chapter 8, the student should be able to:

- Identify reasons and benefits for using online services when filing personal property tax returns or paying personal property tax bills.
- Identify reasons for jurisdictions to use personal property CAMA systems.

Upon completion of Chapter 9, the student should be able to:

- Conduct a reconciliation of documents provided for audit procedures.
- Describe the importance of being able to use reliable records in an audit.
- Discuss the results and findings.

Timetable

Topic	Time Requirement	Day Covered
Chapter 1		
Purpose	30 Minutes	Monday AM
Scope	15 Minutes	Monday AM
Auditing	15 Minutes	Monday AM
Why Audit?	45 Minutes	Monday AM
Funding	30 Minutes	Monday AM
Personnel	15 Minutes	Monday AM
Employment of Contractors	15 Minutes	Monday AM

Topic	Time Requirement	Day Covered
Chapter 2		
Categories of Personal Property	10 Minutes	Monday AM
Inventories	30 Minutes	Monday AM
Fixed Assets	45 Minutes	Monday AM/PM
Leasehold Improvements	30 Minutes	Monday PM
Intangible Personal Property	20 Minutes	Monday PM
Appraisal and Assessing of Personal Property	60 Minutes	Monday PM
Chapter 3		
The Accounting Profession	30 Minutes	Monday PM
Basic Accounting Concepts and Principles	120 Minutes	Monday PM/Tuesday AM
Chapter 4		
Types of Audits	60 Minutes	Tuesday AM
Auditing Procedures	120 Minutes	Tuesday AM/PM
Chapter 5		
Case Study 1	210 Minutes	Tuesday PM/Wednesday AM
Chapter 6		
Audit Programs	40 Minutes	Wednesday AM
Types of Audits	280 Minutes	Wednesday AM/PM
Chapter 7		
Discovery of Personal Property	45 Minutes	Wednesday PM/Thursday AM
Unlisted Personal Property	45 Minutes	Thursday AM
Other Auditing Issues	90 Minutes	Thursday AM
Chapter 8		
Online Personal Property Forms	15 Minutes	Thursday AM
Availability of Online Assessment Records	15 Minutes	Thursday AM
Online Appraisal Information	30 Minutes	Thursday AM
Personal Property Software and Automated Valuation Methods	45 Minutes	Thursday AM/PM
Using Spreadsheets in Auditing	45 Minutes	Thursday PM

Topic	Time Requirement	Day Covered
Chapter 9		
Case Study 2	130 Minutes	Thursday PM