

Ocean manufacturing inc

[Business](#), [Industries](#)



Identify two facts from the case that you found particularly interesting (this can be anything- it doesn't have to be directly accounting-related!). The first situation that I found interesting is that Most of the ratios of Ocean Manufacturing are lower than the industry. So as auditors should figure out the reason behind this. The second situation is that the auditor turnover high. In twelve years they had three auditors.

It is a major problem as why ocean manufacturing hanged it auditors rapidly at such short period of time. As an auditor I should look into the matter more closely. 2. If applicable, what Professional Standards were violated in this case? Cite either CASE standards or Rules of Professional Conduct. You may want to research the standards in your text, Handbook, or online. N/A 3. Assume you are working as an auditor in public accounting. Name one lesson tattoo could learn from this case. Ocean Manufacturing executives are very aggressive.

If they are taken as a client I would be careful. They tried to manipulate their yearned accruals to meet requirement of Creditors. As they are planning to offer PIP they might want to do it again. As an auditor I learnt that I should take account of past behaviors and future intension when I am auditing a client. 4. As we all know, hindsight is 20/20. For cases where the client committed fraud, are there any " red flags" the auditor overlooked that might have allowed them to uncover the fraud sooner?