ACG4632 Auditing

Course Description: This course provides a sound conceptual foundation of basic auditing process from the perspective of the public accounting profession. Professional standards, ethics, legal responsibilities, and utilization of technology are addressed. Principles and procedures of internal and public auditing are discussed, including professional standards, ethics, legal responsibilities, and the utilization of technology. Prerequisite: ACG 3113. (3 hr. lecture)

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<th>Course Competency</th>
<th>Learning Outcomes</th>
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| **Competency 1:** The student will understand the uses of cost accounting data by: | 2. Numbers / Data  
3. Critical thinking  
8. Computer / Technology Usage |
| Competency 1: The student will understand the role of the public accountant in the American Economy by: | |
| 1. Understanding the various assurance services and their purpose  
2. Understanding the public accounting profession  
3. Understanding the importance of professional ethics | |
| Competency 2: The student will analyze the professional standards by: | |
| 1. Understanding the Generally Accepted Auditing Standards  
2. Determining the auditors’ responsibility for detecting misstatements  
3. Understanding the various auditing reports  
4. Understanding the Attestation Standards | |
| Competency 3: The student will understand professional ethics by: | |
| 1. Analyzing the nature of ethics  
2. Understanding the need for ethics in the profession  
3. Evaluating the AICPA Code of Professional Conduct  
4. Differentiating between the ethics for public accountants and internal auditors | |
| Competency 4: The student will evaluate the legal liability of CPAs by: | |
| 1. Identifying the scope of CPA Liabilities  
2. Determine the CPA’s liability to clients under common law and statutory law | |
| Competency 5: The student will be able to analyze audit evidence and documentation by: | |
| 1. Understanding the relationship of audit risk to audit evidence | |
2. Differentiating among the different types of audit evidence
3. Determining the nature, timing and extent of audit procedures to be undertaken
4. Analyzing audit evidence with the proper procedures
5. Evaluating audit evidence in subjective areas
6. Understanding the importance of audit documentation

Competency 6: The student will be able to plan an audit by:

1. Understand the procedures when first obtaining a client
2. Plan the audit by obtaining an understanding of the client’s business
3. Assessing the inherent risks of the audit
4. Linking the audit procedures to the risks
5. Determining the timing of the audit

Competency 7: The student will be able to determine the validity of internal control by:

1. Understanding the meaning of internal control
2. Determining the control environment
3. Assessing the risk of deficiencies in the audit
4. Evaluating the control activities and monitoring the controls.
5. Understanding the limitations of internal control

Competency 8: The student will be able consider the role of internal control in an information technology environment by:

1. Understanding the IT-based systems
2. Understanding the role of internal control in an IT Environment
3. Applying substantive testing with computers.

Competency 9: The student will be able to apply audit sampling by:

1. Comparing statistical and non-statistical sampling.
2. Applying audit sampling for tests of controls
3. Determine the use of attributes sampling on the audit
4. Understand the use of classical variables sampling

Competency 10: The student will be able to audit cash, financial investments, receivables and inventories by:

1. Understanding the sources and uses of cash
2. Determining audit program to verify cash and financial investments
3. Determining the audit program to verify receivables
4. Understand the sources and nature of inventories and cost of goods sold
5. Understand the internal controls that must be in place for inventories
6. Determine the audit program to verify inventories
Competency 11: The student will be able to audit liabilities, debt and equity capital by:

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<tbody>
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<td>Understanding the sources and nature of the different liabilities</td>
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<td>2.</td>
<td>Determining the audit program to verify liabilities</td>
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<tr>
<td>3.</td>
<td>Understanding the sources and nature of debt and equity capital</td>
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<td>4.</td>
<td>Developing an audit program for debt and equity capital</td>
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