

Course Description**ACG2630 | Auditing | 3.00 credits**

This course covers the fundamental principles of audit practice and procedure, including the verification of balance sheets and income statement items, the preparation of audit working papers, and the compilation of audit reports. It includes short problems and auditing accounting records. Prerequisite: ACG2011

Course Competencies:

Competency 1: The student will show an awareness of professional standards and professional ethics in auditing by:

1. Describing independence, due professional care, standards of fieldwork, adequate planning and supervision, sufficient competent evidential matter, standards of reporting, the need for professional ethics, and the sec's regulation of accountants

Competency 2: The student will demonstrate an awareness of the groups and organizations that contribute to the auditing standards and methods by:

1. Comparing the American Institute of C.P.A.'S., State boards of accountancy, financial accounting standards board, securities and exchange commission, generally accepted auditing standards, the C.P.A. Exam, and statements on auditing standards

Competency 3: The student will understand the basics of Audit Sampling by:

1. Defining and comparing statistical and non-statistical sampling
2. Discussing the methods of sample selection
3. Describing the methods of determining the sample size
4. Explaining the allowance for sampling risk (precision)
5. Evaluating the sample results

Competency 4: The student will demonstrate knowledge of the importance of internal control by:

1. Defining the meaning of internal control
2. Describing the risks involved in auditing a company that has poor internal control
3. Illustrating an organizational structure that exhibits poor internal control and recommending changes
4. Discussing internal control procedures specifically applicable to a computer environment
5. Describing the process of performing a review of internal control
6. Clarifying the audit trail

Competency 5: The student will show comprehension of the auditors' report by:

1. Distinguishing between the unqualified opinion, the qualified opinion and adverse opinion and disclaimer of opinion
2. Discussing special reports, audits of personal financial statements, and compilation engagements
3. Describing other assurance services
4. Differentiating between internal auditing, operational auditing and compliance auditing

Competency 6: The student will demonstrate understanding of the audit process by:

1. Describing in detail the procedures of auditing cash and financial investments, accounts receivable and note receivable, inventories, property, plant, and equipment, accounts payable and other liabilities, debt and equity capital, revenue, cost of goods sold and payroll and other expenses

Competency 7: The student will show an awareness of the auditor's additional responsibilities by:

1. Discussing the process of:
 - a. Searching for unrecorded liabilities
 - b. Reviewing the minutes of meetings
 - c. Searching for contingencies
 - d. Performing a review of subsequent events

- e. Searching for related party transactions

Learning Outcomes

- Use quantitative analytical skills to evaluate and process numerical data
- Solve problems using critical and creative thinking and scientific reasoning
- Demonstrate knowledge of ethical thinking and its application to issues in society
- Use computer and emerging technologies effectively