



## **Course Description**

### **ACG4632 | Auditing | 3.00 credits**

This course provides a sound conceptual foundation of basic auditing processes 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.

### **Course Competencies:**

**Competency 1:** The student will understand the uses of cost accounting data by:

1. Recognizing the various assurance services and their purpose
2. Comprehending the public accounting profession

**Competency 2:** The student will understand the role of the public accountant in the American Economy by:

1. Understanding the importance of professional ethics

**Competency 3:** 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 4:** The student will understand professional ethics by:

1. Analyzing the nature of ethics
2. Recognizing 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 5:** 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 6:** 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. Examining audit evidence with the proper procedures
5. Evaluating audit evidence in subjective areas
6. Understanding the importance of audit documentation

**Competency 7:** The student will be able to plan an audit by:

1. Understanding the procedures when first obtaining a client
2. 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 8:** The student will be able to determine the validity of internal control by:

1. Understanding the meaning of internal control
2. Assessing 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 9:** The student will be able to consider the role of internal control in an information technology environment by:

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

**Competency 10:** The student will be able to apply audit sampling by:

1. Comparing statistical and non- statistical sampling
2. Reviewing for tests of controls
3. Determining the use of attributes sampling on the audit
4. Understanding the use of classical variables sampling

**Competency 11:** 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. Understanding the sources and nature of inventories and cost of goods sold
5. Understanding the internal controls that must be in place for inventories
6. Determining the audit program to verify inventories

**Competency 12:** The student will be able to audit liabilities, debt and equity capital by:

1. Understanding the sources and nature of the different liabilities
2. Determining the audit program to verify liabilities
3. Understanding the sources and nature of debt and equity capital
4. Developing an audit program for debt and equity capital

**Learning Outcomes:**

- Use quantitative analytical skills to evaluate and process numerical data
- Solve problems using critical and creative thinking and scientific reasoning
- Use computer and emerging technologies effectively