

AUDITING
(Prerequisite ACC 232)
ACC 427, 3 credits
SUMMER TERM, 2017
Tuesday 6 PM-10:30 PM
Instructor: Doug Johnson

TEXTBOOK: Principles of Auditing, 20th Edition, Whittington, and Pany, McGraw, Hill, Irwin Publisher
ISBN-978-0-07-772914-1

OFFICE HOURS: Home phone 402-423-7940-E mail: dajohnson@southeast.edu

OBJECTIVE: This accounting major capstone course focuses on Generally Accepted Auditing Standards (GAAS), the ethical and legal responsibilities of auditing and auditing procedures and sampling techniques. In addition to focusing on current ethical issues in accounting/auditing, the course includes the study of working paper techniques, preparation of audit reports, and evaluation of internal controls. Upon successful completion of this course, students will: 1) recognized the ethical and legal implications of various accounting/auditing situations in terms of the standards set by the accounting profession, 2) analyze, synthesize, and evaluate various accounting/auditing issues to form reasoned, logical solutions in light of the ethical and legal considerations, 3) analyze prepared financial statements in light of current Generally Accepted Auditing Standards, 4) be able to read and understand the precise accounting terminology used in the field of auditing and 5) be able to communicate audit findings, both orally and in written form to interested stakeholders.

GRADE BREAKDOWN: Your grade will consist of 7 modules and a hand written audit report each equally 100 points for your tests using Doane grading system.

95-100% = A+	80-84% = B	70-79% = C
90-94% = A	75-79% = C+	60-64% = D
85-89% = B+	70-74% = C	Below 60%=U

ATTENDANCE: Student attendance in each class session is required.

CLASS PARTICIPATION: Class participation is welcome.

Tests: Contents will be announced before the test.

ASSIGNMENTS: You are expected to read chapters and do the homework before class.

The schedule is as follows:

Tuesday:		TOPIC:
May	23	Chapters 1,2, and 3, Test
	30	Chapters 4 and 6, Test, chapters 5 and 7
June	6	Chapter 8 and 9, Test, 10,11,12, and 13
	13	Colorado
	20	Colorado
	27	Chapters 12 and 13, Test, Chapters 14, chapter 15
July	4	Chapters 16,,chapter 17, and 18, Test
	11	Chapters 19,20,and 21,
	18	Test, audit report

The Doane Academic Integrity Policy will be adhered to in this class. All projects and tests will be represent your own work. Any use of other ideas and words without proper citation of sources is plagiarism

and will result in penalties to be determined by the instructor and/or dean of undergraduate studies.

CURRICULUM

- | | |
|--|---|
| I. Describe rules of conduct | I. Rules <ul style="list-style-type: none"> A. Independence B. Integrity and objectivity C. General standards D. Attestation and other standards E. Accounting principles F. Confidential information G. Contingent fees H. Acts discreditable I. Advertising and solicitation J. Commissions K. Form of practice and name |
| II. Analyze function of internal control | II. Function of internal control <ul style="list-style-type: none"> A. Waste B. Fraud <ul style="list-style-type: none"> A. Inefficient use of assets B. Accounting records C. Compliance of with company policy |
| III. Determine sufficiency and competency of evidence | III. Evidence <ul style="list-style-type: none"> A. Quantity versus quality B. Types C. Cost of obtaining D. Risks |
| IV. Define purpose and identify contents of working papers | IV. Working papers <ul style="list-style-type: none"> A. Purpose <ul style="list-style-type: none"> 1. Organize 2. Support 3. Evidence B. Types <ul style="list-style-type: none"> 1. Administrative 2. Trial balance 3. Schedule 4. Adjusting 5. Analyze 6. Document |
| V. Explain audit plan of general records | V. Substantiation <ul style="list-style-type: none"> A. Existence B. Completeness C. Volume D. Cut off E. Income statement with related assets F. Financial statement presentation <ul style="list-style-type: none"> A. Presentation and disclosures B. Existence or occurrence C. Rights and obligations D. Completeness |

VI. Define function of audit report

VI. Audit Report

- A. Firm audit
- B. Management responsibility
- C. Opinion
- D. Generally accepted auditing standards
- E. Material misstatements
- F. Evidence on test basis
- G. Accounting principles and estimates
- H. Presentation
- I. Reasonable basis
- J. Fairly presented
- K. Conforms with GAAP