

SYLLABUS
PART I
EDISON COMMUNITY COLLEGE
ACC 231S AUDITING
3 CREDIT HOURS

COURSE DESCRIPTION:

Principles and procedures used by the public accounting profession to audit business entities. Coverage includes professional standards, ethics, audit evidence, internal controls structure and CPAs report on financial statements. Prerequisite: ACC 214S.

COURSE GOALS:

After completing this course, the student should be able to:

1. Understand the function of auditing and the role it plays in our society.
2. Relate some auditing postulates to the modern auditing function.
3. Know how the auditor communicates with users of his or her work.
4. Understand the standards of auditing for external auditors, internal auditors, and governmental auditors.
5. Know the difference between financial and operational auditing.
6. Know the professional and standard-setting organizations that directly influence the audit function.
7. Understand the evaluation of auditors' responsibilities during the 20th century.
8. Know the reasons for the different audit report styles used during the last 60 years.
9. Understand the ethical environment in which a CPA operates.
10. Know the major provisions of the AICPA code of professional ethics.
11. Understand the concept of internal accounting control.
12. Know the AICPA position on the study and evaluation of internal accounting control in an EDP system.
13. Know the AICPA guidelines on competency and sufficiency of audit evidence.

14. Understand how audit objectives are related to management assertions in the financial statements.
15. Know how audit procedures are derived from audit objectives.

CORE VALUES:

The Core Values are a set of principles which guide in creating educational programs and environments at Edison. They include communication, ethics, critical thinking, human diversity, inquiry/respect for learning, and interpersonal skills/teamwork. The goals, objectives, and activities in this course will introduce/reinforce these Core Values whenever appropriate.

TOPIC OUTLINE:

1. Auditing and the Public Accounting Profession
2. Professional Standards
3. Reports on Audited Financial Statements
4. Professional Ethics
5. Auditor's Legal Liability
6. Evidence, The Audit Process, And Working Papers
7. Internal Control in a Financial Statement Audit
8. Considering Internal Control Structure in Computer Systems
9. Audit Sampling in Tests of Controls
10. Audit Sampling in Substantive Tests of Account Balances
11. Tests of Controls of the Revenue/Receipt Cycle: Sales and Cash Receipts Transactions
12. Substantive Tests of the Revenue/Receipt Cycle: Sales, Accounts Receivable, and Cash
13. Tests of Controls of the Expenditure/Disbursement Cycle: Purchases & Cash Disbursements
14. Substantive Tests of the Expenditure/Disbursement Cycle: Accounts Payable, Prepaid Expenses, and Accrued Liabilities
15. Tests of Controls and Substantive Tests of Personnel and Payroll
16. Tests of Controls and Substantive Tests of the Conversion Cycle: Inventory and Plant Assets
17. Tests of Controls and Substantive Tests of the Financing Cycle: Investments, Debt, and Equity
18. Completing an Audit