

**Cedar Crest College**  
**ACC 312 -70 Spring 2010**  
**Auditing**

**Instructor:** Ibolya Balog, CPA, MBA  
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**Office Hours:** Monday, 2:30 –5:00  
Tuesday 10:00 -12:00  
Thursday 5:00 – 6:00  
And by appointment

**Course meets:** Thursday, 7:00 – 9:30 in Room Curtis 353

**Credits:** 3

**Prerequisites:** ACC 101,102, 203, 208, 209

**Course Description:** This course is an analysis and appraisal of current auditing principles and procedures involving staff organization, professional ethics, and legal responsibility, internal control, audit programs and working papers and original record examination. Students are required to complete a comprehensive audit case study.

**Course Text:** Principles of Auditing& Other Assurance Services, Whittington O R, Pany K, 17<sup>th</sup> edition, 2010, McGraw-Hill, Irwin; ISBN 978-0-07-337965-4

**Tools:** Study guide, ISBN-13 9780073359908 financial calculator, computer, access to internet, Excel and library resources. Related website:  
<http://www.mhhe.com.whittington17e> includes updates to auditing standards subsequent to publishing of the text, interactive quizzes with solutions for each chapter, PowerPoint slides, Audit Simulations and the Keystone Computers & Networks Case spreadsheets.

**Format:** Lecture, discussion, exercises and simulations

**Courses Objective:** Introduce students to the role of auditors, audit standards and Code of Ethics. Gain an understanding of audit risk, and learn the fundamentals of auditing from planning to obtaining and documenting sufficient evidence for expression of an audit opinion. Explore the role and function of internal control and related documentation. Understand the attest function and applicability to various entities, audit of operations, compliance audits and requirements for and integrated audit.

**Outcome/Assessment:** At the completion of the course students are able to:

1. Understand the role and function of auditors
2. Apply audit standards and understand professional ethics

3. Perform audit planning
4. Gain and document audit evidence for a sample company
5. Understand and document the role of internal control
6. Prepare audit steps related to financial statement assertions
7. Understand the various attest functions and assurance services
8. Differentiate internal, operational and compliance auditing

### **Student evaluation and Grading:**

Minimal requirements for completion of the course are that students successfully take and pass four exams, successfully complete the Keystone Computers and Networks, Inc. audit case and regularly attend and participate in class.

• Exam 1	15%
• Exam 2	15%
• Exam 3	15%
• Exam 4	15%
• Audit Case	20%
• Class participation, attendance	<u>20%</u>
Total	100%

The four exams will be take home and consist of multiple choices, problems and short answer essay questions. The subject covered in the exams will be:

- |          |                                |
|----------|--------------------------------|
| • Exam 1 | Chapters 1,2 and 3             |
| • Exam 2 | Chapters 5,6,7, 8 and 9        |
| • Exam 3 | Chapters 10,11,12,13,14 and 15 |
| • Exam 4 | Chapters 16, 17, 18, 19 and 21 |

**Please read problems that are that day's in class exercise in advance so you are prepared to work with your group in class without delay.**

Class discussion is evaluated based on relevance and contribution to a topic. In an effort to have students gain new perspective, questions are encouraged.

There are no extra credit opportunities.

### **Classroom Expectations:**

All students are expected to attend class and contribute regularly to discussions. Students are expected to come to class prepared to discuss the assigned topics; therefore, they should read the assigned chapters prior to class. Students who miss class are expected to contact the professor and/or classmate. In addition, a missed class does not imply an automatic extension on an assignment's due date. All assignments are due on the assigned due dates.

Each student is required to use her/his Cedar Crest email account for communication with the professor and fellow students. Students should check their email regularly.

**Please turn off all cell phones, beepers and pagers prior to the start of class.** If you use a notebook computer in class its use must be limited to class related purposes – **do not check and answer email, instant messages or surf the internet or use any electronic device for text messaging or any other activity that is distracting to the class.**

Appropriate classroom behavior is implicit in the Cedar Crest College Honor Code. Such behavior is defined and guided by the complete protection for the rights of all students and faculty to a courteous, respectful classroom environment. That classroom environment is free from distractions such as late arrivals, early departures, inappropriate conversations and any other behaviors that might disrupt instruction and/or compromise students' access to their Cedar Crest College education.

The Cedar Crest Honor Code states that, "Cedar Crest College students shall uphold community standards for academic and social behavior in order to preserve a learning environment dedicated to personal and academic excellence. Upholding community standards is a matter of personal integrity and honor. Individuals who accept the honor of membership in the Cedar Crest College community pledge to accept responsibility for their actions in all academic and social situations and the effect their actions may have on other members of the College Community." (Cedar Crest College Catalog, page 33)

"Incumbent from the Honor Code, academic integrity and ethical behavior provide the foundations of the Cedar Crest scholarly community and the basis for our learning environment. Cedar Crest College expects students to set a high standard for themselves to be personally and intellectually honest and to ensure that other students do the same. This standard applies to all academic work (oral, written or visual) completed as part of a Cedar Crest education." (Cedar Crest College Catalog, page 33)

Any confirmed instance of academic dishonesty can result in a failing grade for this course.

#### *Students with Documented Disabilities*

Students with documented disabilities who may need academic accommodations should discuss these needs with the professor during the first two weeks of class. Students with disabilities who wish to request accommodations should contact the Advising Center.

Syllabus is subject to change with prior notice from the professor

Date	Topic	Reading	In Class Exercise	Suggested Homework
Thursday 1/21	The Role of the Public Accountant in the American Economy Professional Standards	Chapter 1 Chapter 2	1-34 2-37	1-3,21, 28, 31 2-2, 19, 24, 31
Thursday 1/28	Professional Ethics Legal Liability of CPA	Chapter 3 Chapter 4	3-34 4- 40	3-3, 15, 36, 43
Thursday 2/4	Audit Evidence and Documentation	Chapter 5	5-59	5-12, 19, 20, 36, 38, 45
Thursday 2/11	<b>Exam 1 Due</b> Audit Planning, Understanding the Client, Assessing Risk, and Responding	Chapter 6	6-45	6-8, 18, 23, 30, 31, 33 6C-4
Thursday 2/18	Internal Control Internal Control in a Computer Environment	Chapter 7 Chapter 8	7-47 8-39	7-24, 27, 30, 38, 40, 43, 7-44
Thursday 2/25	Audit Sampling	Chapter 9	9-53	9-2, 3, 5, 6, 23, 35, 41, 9-45, 52, 9A-11, 12
Thursday 3/4	<b>Exam 2 Due</b> Cash and Financial Investments Accounts Receivable, Notes Receivable and Sales Transactions	Chapter 10 Chapter 11	10-47 11-50	10-1, 11, 14, 21, 26, 37, 10-41, 11-1, 18, 26, 27, 35, 37. 11-38. 40,41, 51
Thursday 3/11	Spring Break			
Thursday 3/18	Inventories and Cost of Goods Sold Property, Plant and Equipment: Depreciation and Depletion	Chapter 12 Chapter 13	12-45 13-40	12-1, 11, 17, 26, 32, 12-40,45 13-4, 15, 23
Thursday 3/25	Accounts Payable and Other Liabilities Debt and Equity Capital	Chapter 14 Chapter 15	14-42 15-41	14-2, 27, 34, 35, 39, 40 15-8, 27, 32, 34, 39
Thursday 4/1	<b>Exam 3 Due</b> Further Verification of Revenues and Expenses; Completing the Audit	Chapter 16	16-47	16-2, 15, 23, 24, 36, ,39
Thursday 4/8	Auditors' Reports Integrated Audits of Public Companies	Chapter 17 Chapter 18	17-37 18-35	17-8, 21, 23, 26, 27, 17-38,39 18-1, 2, 3, 11,26, 27, 30
Thursday 4/15	Additional Assurance Services: Historical Financial Information	Chapter 19	19-40	19-6, 20, 28, 35, 41
Thursday 4/22	<b>Audit Case Due</b> Internal, Operational and Compliance Auditing	Chapter 21	21-46	21-2, 4, 8, 12, 39, 44
Thursday 4/29	Additional Assurance Services: Other Information	Chapter 20	20-34	20-1, 24, 28, 35
Thursday 5/6	<b>Exam 4 Due</b>			