

Georgia State University Program Academic Course Description

1.Course Description:

Code: ACT 202

Course Title: Auditing I

Year: Second Year

2. Course Objective:

This course is designed to provide an introduction to auditing. The objectives include principles and practices used by public accountants in examining financial statements and supporting data. Special emphasis is given to generally accepted auditing standards (GAAS). This course is a study of techniques available for gathering, summarizing, analyzing and interpreting the data presented in financial statements and procedures used in verifying the fairness of the information. Also emphasizes ethical and legal aspects and considerations.

3. Course Targets:

A. Knowledge and Understanding

On successful completion of this course (i.e. by *passing* this course), student should be able to:

1. Know the basic concepts of auditing, including professional standards and understand why and how audits are performed.
2. Differentiate financial auditing from other types of auditing.
3. Identify generally accepted auditing standards and its importance and identify the types of assurance services and explain the demand for auditing services
4. Identify the different types of audit reports and which audit report should be issued under specific circumstances.
5. Understand management's responsibility for the financial statements and the auditor's responsibility for verifying those statements.
6. Evaluate the nature and characteristics of audit evidence.

B. Intellectual Skills

Upon completion of this course the student should be able to:

1. Think critically and see interrelationships among items.
2. Work in a team setting and identify and solve issues.
3. Identify fraudulent accounting and audit practices
4. Analyze the legal and ethical challenges faced by auditors and what they can do to face those challenges.

C. Practical and Professional Skills

On completion of this course, the student will be able to:

1. Gather, summarize, analyze and interpret the data presented in financial statements and procedures used in verifying the fairness of the information.
2. Develop critical thinking, as well as oral and written communication in

	<p>the audit profession.</p> <p>3. Conduct strong analytical and problem-solving skills and communication skills.</p> <p>4. Apply the 10 GAAS (Generally Accepted Auditing Standards) and explain how and why they are followed.</p>
D. General and Transferable Skills	<p>Upon completion of this course, the student should be able to:</p> <p>1. Apply of specialized knowledge, training and proficiency in a subject or field to attain successful career development and personal advancement.</p> <p>2. Communicate effectively, and gain the skills of team work, independent learning, interpersonal relationship, and problem solving....etc.</p> <p>The attainment of these qualities will greatly assist you to participate in the world of commerce. Homework preparation and group participation will enable you to hone these skills.</p>

4. Course Schedule, Contents and Assignments

Date / Week	Chapters	Topics	Assignments
Week 1	Ch1:The Demand for Audit and Other Assurance Services	<ul style="list-style-type: none"> • Nature of Auditing • Distinction between Auditing and Accounting • Economic Demand for Auditing 	<p><u>Review Questions:</u> 1-1 to 1-11.</p> <p><u>Multiple Choice Questions:</u> 1-12 and 1-13.</p>
Week 2	Ch1:The Demand for Audit and Other Assurance Services	<ul style="list-style-type: none"> • Assurance Services • Types of Audits • Types of Auditors • Certified Public Accountant 	<p><u>Discussion Questions & Problems:</u> 1-14 to 1-21.</p>
Week 3	Ch2: The CPA Profession	<ul style="list-style-type: none"> • Certified Public Accounting Firms • Structure of CPA Firms • Sarbanes- Oxley Act and Public Company Accounting Oversight Board • Securities and Exchange Commission 	<p><u>Review Questions:</u> 2-1 to 2-10.</p> <p><u>Multiple Choice Questions:</u> 2-13 & 2-14.</p>
Week 4	Ch2: The CPA Profession	<ul style="list-style-type: none"> • American Institute of Certified Public Accountants (AICPA) • International and U.S. Auditing Standards • Organization of U.S Auditing Standards • Quality Control 	<p><u>Discussion Questions & Problems:</u> 2-15 to 2-20.</p>

Week 5	Ch3: Audit Reports	<ul style="list-style-type: none"> • Standard Unmodified Opinion Audit Report for Non-Public Entities • Conditions for Standard Unmodified Opinion Audit Report • Standard Audit Report & Report on Internal Control over Financial Reporting Under PCAOB Auditing Standards • Unmodified Opinion Audit Report with Emphasis – of – Matter Explanatory Paragraph or Nonstandard Report Writing 	<u>Review Questions:</u> 3-1 to 3-15 <u>Multiple Choice Questions:</u> 3-20 and 3-21.
Week 6	Ch3: Audit Reports	<ul style="list-style-type: none"> • Modifications to the Opinion in the Audit Report • Materiality • Discussions of Conditions Requiring a Modification of Opinion • Auditor's Decision Process for Audit Reports • International Accounting and Auditing Standards 	<u>Discussion Questions & Problems:</u> 3-22 to 3-26.
Mid – Term Exam			
Week 8	Ch6: Audit Responsibilities and Objectives	<ul style="list-style-type: none"> • Objectives of Conducting an Audit of Financial Statements • Management's Responsibilities • Auditor's Responsibilities • Professional Skepticism • Professional Judgment 	<u>Review Questions:</u> 6-1 to 6-19 <u>Multiple Choice Questions:</u> 6-20 to 6-22.
Week 9	Ch6: Audit Responsibilities and Objectives	<ul style="list-style-type: none"> • Financial Statement Cycles • Setting Audit Objectives • Management Assertions • Transactions-Related Audit Objectives • Balance-Related and Presentation and Disclosure-Related Audit Objectives • How Audit Objectives Are Met 	<u>Discussion Questions & Problems:</u> 6- 23 to 6-32
Week 10	Ch7: Audit Evidence	<ul style="list-style-type: none"> • Nature of Evidence • Audit Evidence Decisions 	<u>Review Questions:</u> 7-1 to 7-17

		• Persuasiveness of Evidence	<u>Multiple Choice Questions:</u> 7-21, 7-22, 7-23.
Week 11	Ch7: Audit Evidence	• Types of Audit Evidences • Audit Documentation	<u>Discussion Questions & Problems:</u> 7-24 to 7-35
Week 12	Ch4: Professional Ethics:	• What Are Ethics? • Ethical Dilemmas • Special Need for Ethical Conduct in Professions • Code of Professional Conduct • Independence Rule	<u>Review Questions:</u> 4-1 to 4-7 <u>Multiple Choice Questions:</u> 4-17 <u>Discussion Questions & Problems:</u> 4-19 to 4-23
Final Exam			

5. Teaching and Learning Methods (Instructional Methodology)	This class is highly interactive. It consists of lectures, discussions, presentations, quizzes, videos and report assignments. The method of instruction for this course will be live face-to-face in the classroom. Any supplemental materials will be provided on the internet.
6. Teaching and Learning Methods for special-needs students	N/A

1. Student Evaluation System: Evaluation consists of homework, quizzes, final examination and discussions. All reading assignments are to be completed before the assigned class period and prior to turning in the written assignments. Students are required to complete all assignments – there are no “make-ups”. All written assignments must be completed and submitted by the announced due date. In the event a student does not complete an assignment when scheduled, the student will receive a zero.

Class Participation:

Your class participation grade will consist of, but will not be limited to, having exercises and problems completed prior to class meeting, attendance, and active participation in class discussions.

Attendance Policy:

Class attendance is essential and necessary for successful completion of the course. Students who are under a doctor's care or medical advisory or for any other reason, and unable to attend class should notify the professor or the class rep by email prior to class to be excused from that class. Students excused for any reason will remain responsible for any exercise and homework assignments due the day of the absence and any changes in the course schedule. Participation marks are not granted based on attendance.

Grade Assessment:

1. Participation 25% (25 Marks):

Cases, videos, reports, and assignments	10%	10 marks
In-class presentations, discussions, and quizzes	15%	15 marks

2. Mid-term Exam 25% (25 Marks)
3. Final Exam 50% (50 Marks)

List of Academic Books & References:

A. Main Textbook

- ***Auditing and Assurance Services: An Integrated Approach. 16th Ed. Arens A. Edler J. Beasley S. and Hogan E. Pearson Education (2017).***

B. Suggested Books

- *Auditing & Assurance Services, 9th Edition, with ACL software Messier. Glover, Prawitt, McGraw-Hill.*
- *Auditing & Assurance Services (2012). 5th Edition, Louwers, T., Ramsay. Boston, MA: McGraw-Hill.*
- *Contemporary Auditing: Real Issues and Cases, 9th Edition Michael C. Knapp ISBN# 9781133187899*

C. Periodicals and Publications

All other materials will be available to students online. Reliable access to Internet is a must, accessing up-to-date course learning materials and performing all learning activities effectively and efficiently.

D. Auditing Web Links

- AICPA (<http://www.aicpa.org>.)
- American Accounting Association's Auditing Section. (<http://aaahq.org/audit/index.htm>)
- Association of Certified Fraud Examiners. (<http://www.cfenet.com/>)
- Financial Accounting Standards Board. (<http://www.fasb.org>.)
- International Auditing and Assurance Standards Board. (www.ifac.org/IAASB)
- Institute of Internal Auditors. (<http://www.theiia.org>)
- International Federation of Accountants. (<http://www.ifac.org/>)
- Deloitte. (www.deloitte.com)
- Ernst & Young. (<http://www.ey.com/>)
- KPMG. www.kpmg.com & PWC www.pwcglobal.com