

**STATE UNIVERSITY OF NEW YORK  
COLLEGE OF TECHNOLOGY  
CANTON, NEW YORK**



**COURSE OUTLINE**

**ACCT 430 – AUDITING**

**Prepared By: Christa K. Kelson**

**SCHOOL OF BUSINESS & LIBERAL ARTS  
BUSINESS DEPARTMENT  
MAY 2015**

- A. **TITLE:** Auditing
- B. **COURSE NUMBER:** ACCT 430
- C. **CREDIT HOURS:** (3)
- D. **WRITING INTENSIVE COURSE:** No
- E. **COURSE LENGTH:** 15 weeks
- F. **SEMESTER(S) OFFERED:** Fall, Spring.
- G. **HOURS OF LECTURE, LABORATORY, RECITATION, TUTORIAL, ACTIVITY:**  
3 lecture hours per week
- H. **CATALOG DESCRIPTION**  
H. This course is designed to expose the student to the vocabulary, concepts, principles, and techniques of auditing. Emphasis is placed on the use of Generally Accepted Auditing Standards and their practical application to professional standards, ethics, internal controls, legal liability, audit planning, audit evidence, audit sampling, and the production of standard reports.
- I. **PRE-REQUISITES/CO-REQUISITES:**  
Intermediate Accounting I (ACCT 300), or permission of the Instructor.
- J. **GOALS (STUDENT LEARNING OUTCOMES):**  
By the end of this course, the student will be able to:

<i>Course Objective</i>	<i>Institutional SLO</i>
a. Explain auditing assurance services in conjunction with the required application of generally accepted accounting principles in performing an audit.	1. <b>Comm. Skills</b> 2. <b>Crit. Thinking</b> 3. <b>Prof. Competence</b> 4. <b>Inter-Intra Skills</b>
b. Summarize the major accounting firms, accounting organizations, regulatory organizations and their functions in the U.S.	1. <b>Comm. Skills</b> 2. <b>Crit. Thinking</b> 3. <b>Prof. Competence</b>
c. Assess audit risk and materiality.	1. <b>Comm. Skills</b> 2. <b>Crit. Thinking</b> 3. <b>Prof. Competence</b>
d. Determine the characteristics of audit evidence.	1. <b>Comm. Skills</b> 2. <b>Crit. Thinking</b> 3. <b>Prof. Competence</b>
e. Summarize the auditor's legal liability under common and statutory law.	1. <b>Comm. Skills</b> 2. <b>Crit. Thinking</b> 3. <b>Prof. Competence</b>
f. Evaluate the internal control structure and its effect on the audit process.	1. <b>Comm. Skills</b> 2. <b>Crit. Thinking</b> 3. <b>Prof. Competence</b> 4. <b>Inter-Intra Skills</b>
g. Summarize the provisions of the Sarbanes-	1. <b>Comm. Skills</b>

Oxley Act of 2002 and its impact on the auditing profession.	2. Crit. Thinking 3. Prof. Competence
h. Plan an audit engagement.	1. Comm. Skills 2. Crit. Thinking 3. Prof. Competence 4. Inter-Intra Skills
i. Specify four types of audit tests.	1. Comm. Skills 2. Crit. Thinking 3. Prof. Competence
j. Summarize the impact of information systems on the audit process.	1. Comm. Skills 2. Crit. Thinking 3. Prof. Competence
k. Demonstrate methods used in the sampling of client data.	1. Comm. Skills 2. Crit. Thinking 3. Prof. Competence 4. Inter-Intra Skills
l. Explain the four categories of audit report	1. Comm. Skills 2. Crit. Thinking 3. Prof. Competence 4. Inter-Intra Skills

**K. TEXTS:**

As determined by the instructor.

**L. REFERENCES:**

- a. [www.nysscpa.org](http://www.nysscpa.org) New York State Society of Certified Public Accountants.
- b. [www.aicpa.org](http://www.aicpa.org) American Institute of Certified Public Accountants.

**M. EQUIPMENT: Technology enhanced classroom**

**N. GRADING METHOD: A-F**

**O. MEASUREMENT CRITERIA/METHODS:**

- Exams
- Quizzes
- Papers
- Participation
- And as determined by Instructor

**P. DETAILED COURSE OUTLINE:**

**I. AUDIT AND OTHER ASSURANCE SERVICES**

- A. Nature of Auditing
- B. Assurance Services
- C. The CPA Profession
  - i. AICPA
  - ii. SEC
  - iii. Big 4 CPA firms
  - iv. Sarbanes Oxley Act of 2002

D. Impact of Information Technology on the Audit Process

- II. PROFESSIONAL ETHICS AND LEGAL LIABILITY
  - A. Definition of Ethics
  - B. AICPA Code of Professional Conduct
  - C. Legal liability
- III. AUDIT RESPONSIBILITIES AND OBJECTIVES
- IV. AUDIT PLANNING, ANALYTICAL PROCEDURES, DOCUMENTATION AND EVIDENCE
  - A. Audit Planning
  - B. Nature of Evidence
  - C. Audit Documentation
- V. MATERIALITY AND RISK
  - A. Materiality Guidelines
  - B. Types of Risk
- VI. INTERNAL CONTROL
  - A. Components of Internal Control
  - B. Internal Controls Specific to Information Technology
- VII. AUDIT TESTS
  - A. Tests of Control
  - B. Substantive Tests
  - C. Analytical Procedures
  - D. Tests of Details of Balances
- VIII. APPLICATION OF THE AUDIT PROCESS
  - A. Audit of the Sales and Collection Cycle
  - B. Audit of the Acquisition and Payment Cycle
  - C. Audit of the Payroll and Personnel Cycle
  - D. Audit of Cash Balances
  - E. Methods of Sampling
    - 1. Nonstatistical Sampling
    - 2. Monetary Unit Sampling
- IX. AUDIT REPORTING
  - A. Types of Reports
    - 1. Standard Unqualified
    - 2. Unqualified with Explanatory Paragraph
    - 3. Qualified
    - 4. Adverse or Disclaimer
    - 5. B. Materiality Levels and Scope

**Q. LABORATORY OUTLINE: N/A**