

MIDSTATE COLLEGE
411 W. NORTHMOOR RD. PEORIA, IL 61614
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Summer, 2019

Course Number & Name: ACC 405 – Auditing I

Credit hours: 4 quarter hours

Method of Delivery: Flex

Course Description: The student will study the fundamental principles of auditing. Topics include professional ethics and legal liability; internal control; risk analysis; the audit process; auditing around the computer and auditing through the computer

Prerequisite: ACC 323 Intermediate Accounting III

Text(s) & Manual(s): Principles of Auditing and Other Assurance Services – 20th Edition and Connect + Accounting

Author(s): O. Ray Whittington and Kurt Pany

Publisher: McGraw-Hill Irwin, 2015, ISBN: 978-0077729141

ISBN-10: 0077729145

Materials needed for this course: Access to internet to complete assignments on Connect +, hardware/software and equipment: See “System Requirements for eLearning” in the Midstate College Student eLearning Guide.

Topics: Role of the Public Accountant in the American economy; Professional standards; Maintenance of quality, professional ethics and legal liability; internal control; risk analysis; the audit process; auditing around the computer and auditing through the computer, audit sampling methods.

Learning Objectives: Upon completion of this course, the student will be able to:

1. Enumerate and explain the steps in the audit process.
2. Understand how different authoritative sources determine the quality of accounting services and impact the performance of CPAs.
3. Recognize the means by which the profession regulates itself and maintains the necessary level of quality in rendering auditing and accounting services.
4. Develop a framework, in terms of objectives, evidence, and procedures, for conducting an independent financial audit.
5. Understand how audit risk analysis affects the development of audit programs.
6. Define internal control and describe its five components.
7. Differentiate between an initial understanding of the design and implementation of internal control and tests of controls for operating effectiveness.
8. Differentiate between auditing around and auditing through the computer.

Midstate Grading scale:

90 - 100 A
80 - 89 B
70 - 79 C
60 - 69 D
0 - 59 F

Midstate Plagiarism Policy:

Plagiarism is using another person's words, either by paraphrase or direct quotation, without giving credit to the author(s). Plagiarism can also consist of cutting and pasting material from electronic sources by submitting all or a portion of work for assignment credit. This includes papers, computer programs, music, sculptures, paintings, photographs, etc. authored by another person without explicitly citing the original source(s). These actions violate the trust and honesty expected in academic work. Plagiarism is strictly against the academic policy of Midstate College. Its seriousness requires a measured, forceful response which includes consequences for inappropriate and/or no citation.

In courses containing writing assignments, the College promotes the use of an electronic resource which compares the student's writing against previously submitted papers, journals, periodicals, books, and web pages. Students and instructors can use this service to reduce the incidence of plagiarism. This electronic resource has been found to conform to legal requirements for fair use and student confidentiality. It is able to provide a report to the student indicating the parts of the assignment that match.

eLearning = To be considered in attendance for an eLearning course, the student must participate each week by submitting substantial, gradable work.

Student Success:

The Office of Student Success is available to students seeking tutoring for individual classes or who need assistance with writing assignments. Information is also available on test taking techniques, how to take notes, developing good study skills, etc. Contact student success using the following email: studentsuccess@midstate.edu.

Instructor: Tom Razo, CPA, CHFP.

e-mail: tmrazo@midstate.edu

Hours: By appointment only. Please send me an e-mail to schedule if necessary.

Policies and Procedures: A passing grade must be attained on all quizzes and tests combined. Assigned Homework must be done, and regular participation will also be

taken into consideration. Homework must be done on McGraw-Hill Connect web address (provided first day of class).

The homework will be graded. When submitting work to the instructor on-line, please remember that **I cannot accept scanned or PDF documents**, as they are impossible to grade or make comments upon. Please submit on-line work in the form of an EXCEL document.

Open LMS will permit late papers to be submitted, although points will be deducted. Please submit quizzes and exams to the proper drop-box before the deadline in order to have your work accepted and counted for attendance purposes.

Participation Requirements: This class is designed to prepare students for careers in accounting and/or as preparation for writing the CPA exam. As such, the workload will be heavy, and the students will be expected to perform to a professional level each and every week. Assignments are to be prepared using EXCEL or WORD for Case study and Connect web address for homework. If work is submitted in EXCEL, feedback may be limited to marking incorrect answers in red and providing an answer key for purposes of comparison

Method of evaluating student performance: Grades for this class are determined as follows:

There will be a Mid-term and a Final exam that will comprise 100 points each. The Mid-term exam will be taken in week 6, and the final exam to be taken in week 12. There will also be weekly quizzes taken in connect that will total 200 points for your homework. Since this is a 400 level class, continuous, regular attendance is expected as essential to the student's commitment to his/her education.

Discussion & Summary Questions	= 20
Homework	= 220
Mid-term exam	= 100
Final Exam	= <u>100</u>
Overall grade	= 440

Schedule

Please answer the discussion & summary questions each week posted in joule.

- Week 1 Introduction to ACC 405 – Auditing I
Syllabus
Ch. 1: The Role of the Public Accountant in the American Economy
L.O. # 1
Homework: Connect + Assignment-Week 1 folder
Learn Smart Assignment-Chap 1
- Week 2 Chapter 2: Professional Standards
L.O. # 2
Homework: Connect + Assignment-Week 2 folder
Learn Smart Assignment-Chap 2
- Week 3 Chapter 3: Professional Ethics
L.O. # 3
Homework: Connect + Assignment-Week 3 folder
Learn Smart Assignment-Chap 3
- Week 4 Ch. 4: Legal Liability of CPA's
L.O. # 3
Homework: Connect + Assignment-Week 4 folder.
Learn Smart Assignment-Chap 4
- Week 5 Chapter 5: Audit Evidence and Documentation
L.O. # 4
Homework: Connect + Assignment-Week 5 folder
Learn Smart Assignment-Chap 5
- Week 6 Midterm Exam
The exam will be in connect and is due 8:00 am Monday of week 7.
- Week 7 Ch. 6: Audit Planning, Understanding the Client, Assessing Risks and
Responding

L.O. # 5

Homework: Connect + Assignment-Week 7 folder.
Learn Smart Assignment-Chap 6

Week 8 Ch. 7: Internal Control

L.O. # 6

Homework: Connect + Assignment-Week 8 folder.
Learn Smart Assignment-Chap 7

Week 9 Ch. 8: Consideration of Internal Control in an Information Technology Environment.

L.O. # 8

Homework: Connect + Assignment-Week 9 folder.
Learn Smart Assignment-Chap 8

Week 10 Ch. 9: Audit Sampling

L.O. # 7

Homework: Connect + Assignment-Week 8 folder
Learn Smart Assignment-Chap 9

Week 11 Review for Final exam. Students will be expected to e-mail questions to the instructor.

Any unfinished studies.

Week 12 Final exam

The instructor reserves the right to modify the syllabus at any time should that action be deemed necessary.