AUDITING  
ACC 427, 3 Credits  
(Prerequisite ACC 232)  
AUTUMN TERM, 2012  
Wednesday 6 PM – 10:30 PM  
Instructor: Wayne Sasges

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OBJECTIVE: This accounting major capstone course focuses on Generally Accepted Auditing Standards (GAAS), the ethical and legal responsibilities of auditing and auditing procedures and sampling techniques. In addition to focusing on current ethical issues in accounting/auditing, the course includes the study of working paper techniques, preparation of audit reports and evaluation of internal controls. Upon successful completion of this course, students will: (1) recognize the ethical and legal implications of various accounting/auditing situations in terms of the standards set by the accounting profession; (2) analyze, synthesize and evaluate various accounting/auditing issues to form reasoned, logical solutions in light of the ethical and legal considerations; (3) analyze prepared financial statements in light of current Generally Accepted Auditing Standards; (4) be able to read and understand the precise accounting terminology used in the field of auditing; and (5) be able to communicate audit findings, both orally and in written form to interested stakeholders.

GRADE BREAKDOWN: Your grade will be the average of all test scores using Doane grading system:

95-100% = A+  
90- 94% = A  
85- 89% = B+  
80-84% = B  
75-79% = C+  
70-74% = C  
65-69% = D+  
60-64% = D  
Below 60% = U

ATTENDANCE: Student attendance in each class session is required.

TESTS: Contents will be announced before the test.

ASSIGNMENTS: You are expected to read chapters and do any assigned homework before class.

The schedule is as follows:

Thursday:
August 22  Chapters 1, 2 and 3; Test  
29  Chapters 4, 5 and 6

September 5  Chapters 7, 8 and 9
12  Chapters 10, 11 and 12
19  Chapters 13, 14 and 15
26  Chapters 16, 17 and 18

October  3  Chapters 19, 20 and 21
10  To be announced
17  No class

The Doane Academic Integrity Policy will be adhered to in this class. All projects and tests must be your own work. Any use of other ideas and words without proper citation of sources is plagiarism and will result in penalties to be determined by the instructor and/or dean of undergraduate studies.
CURRICULUM

I. Describe rules of conduct.
   I. Rules
      A. Independence
      B. Integrity and objectivity
      C. General standards
      D. Attestation and other standards
      E. Accounting principles
      F. Confidential information
      G. Contingent fees
      H. Acts discredible
      I. Advertising and solicitation
      J. Commissions
      K. Form of practice and name

II. Analyze function of internal control
    II. Function of internal control
       A. Waste
       B. Fraud
           1. Efficient use of assets
           2. Accounting records
           3. Compliance of/with company policy

III. Determine sufficiency and competency of evidence
     III. Evidence
        A. Quantity versus quality
        B. Types
        C. Cost of obtaining
        D. Risks

IV. Define purpose and identify contents of working papers
    IV. Working papers
       A. Purpose
           1. Organize
           2. Support
           3. Evidence
       B. Types
           1. Administrative
           2. Trial balance
           3. Schedule
           4. Adjusting
           5. Analyze
           6. Document

V. Explain audit plan of general records
   V. Substantiation
      A. Existence
      B. Completeness
      C. Volume
      D. Cut off
E. Income statement with related assets
F. Financial statement presentation
   1. Presentation and disclosures
   2. Existence or occurrence
   3. Rights and obligations
   4. Completeness

VI. Define function of audit report

VI. Audit report
   A. Firm audit
   B. Management responsibility
   C. Opinion
   D. Generally Accepted Auditing Standards
   E. Material misstatements
   F. Evidence on test basis
   G. Accounting principles and estimates
   H. Presentation
   I. Reasonable basis
   J. Fairly presented
   K. Conforms with GAAP