

# PRINCIPLES OF AUDITING

Course No	:	BUS 254
Course Title	:	PRINCIPLES OF AUDITING
Prerequisites	:	BUS 100
Course Type	:	Major – Elective
Faculty Member	:	Dr. ; Room # ; Telephone ; e-mail ;
Office Hours	:	
Class Time	:	
Lecture Class	:	

## **Course Objectives:**

The objective of this course is to help the student to start developing appropriate professional judgment by understanding the theory, concepts, and issues underlying the financial auditing process. The course provides students with an understanding of the role of auditing services in society as well as auditors' responsibilities and decision-making processes.

## **Course Description:**

A study of the basic principles of auditing, internal control and financial audits. Duties and responsibilities of Internal Auditors and External Auditors and their functions in the control of financial records and statements are also studied. The course discusses the procedures used by public accountants in the verification of financial statements and other accounting data. It includes the legal responsibility and ethical requirements of the profession and the related standards of professional conduct.

## **Course Outline:**

1. Overview of auditing, the market for auditing services
2. Legal aspects of auditing
3. Standard auditing requirements, general auditing standards, audit reports
4. Contractual/common law duties, negligence
5. Expectations gap
6. Professional practice, independence, professional influences
7. Audit objectives, evidence, documentation, risk, materiality
8. Audit approach, planning, internal control evaluation, internal control testing, substantive testing, specific auditing practices, audit programs
9. Owners/management auditors, audit committees, internal versus external auditing
10. Sampling techniques, analytical review
11. Information systems and audit
12. Current issues in auditing, contemporary case studies

## **Learning Outcomes:**

By the end of this course, the student will be able to:

1. Appreciate the need for internal and external auditors
2. Understand the legal aspects of auditing
3. Understand the standard auditing procedures and practices
4. Understand the layout and functionality of the auditor reports
5. Understand how accounting information systems are audited

## **Skills to be developed:**

This course helps students in developing the following skills:

<b>1.Communication</b> (Oral & written)	<b>Through Assignments, Case Study discussions and Examinations</b>
<b>2.Analytical</b>	<b>Through Case studies and examinations</b>
<b>3.Team Work</b>	<b>Through Case studies</b>
<b>4.Creative Thinking</b>	<b>Through Case studies, assignments, classroom discussions</b>
<b>5.Adaptability to Change</b>	<b>Through Case studies, and examinations</b>
<b>6.Ethics</b>	<b>Through lectures and assignments</b>
<b>7.Use of Information Technology</b>	<b>Through use of PCs, Internet, CD-ROM, Statistical data base in the library</b>

## **Evaluating Student Performance:**

<b>Class participation and attendance</b>	<b>10%</b>
<b>Audit case</b>	<b>40%</b>
<b>Mid-term examination</b>	<b>20%</b>
<b>Final Exam</b>	<b>30%</b>

Midterm and Final exams will include multiple choice, short-answer, and essay questions. Specifics regarding exam format and covered material will be discussed in class prior to the exam date include objective questions (multiple choice, matching, etc.).

<b>Assignment</b>	<b>LO1</b>	<b>LO2</b>	<b>LO3</b>	<b>LO4</b>	<b>LO5</b>
Class participation	X				
Audit case				X	X
Midterm exam	X	X	X		
Final exam	X	X	X		

**Grading:**

<u>Percentage Score</u>	<u>Letter Grade</u>	<u>GPA Points</u>	<u>Percentage Score</u>	<u>Letter Grade</u>	<u>GPA Points</u>
90 - 100	A	4.0	70 - 74	C	2.0
85 - 89	B+	3.5	65 - 69	D+	1.5
80 - 84	B	3.0	60 - 64	D	1.0
75 - 79	C+	2.5	< 60	F	0.0

**Educational Resources:**

<b><i>Educational Resource</i></b>	<b>Description</b>	<b>Comments</b>	
<b>Textbooks Required</b>	<b>Modern Auditing, 7th ed.,</b> by Boynton, Johnson and Kell (2001), Wiley.		
<b>References</b>	<b>Auditing and Systems</b> by Gleim.		
<b>Internet Resources</b>	<b>Internet Resources:</b> <i>Miscellaneous Sites</i>		
<b>Journals Computers</b>	<b>Internet searches for obtaining information on Auditing</b>		N/A
<b>CD - ROM :</b>	<b>(CD-ROM) data base in the library + Action learning through CD Accompanying the textbook</b>		N/A
<b>Other Resources:</b>	<b>Library resources, Internet search of periodicals</b>		N/A

**Course Schedule & Outline:**

**Sixteen Week Semester, 3 hrs/Wk**

<b>Date</b>	<b>Week</b>	<b>Outline Syllabus</b>	<b>Learning Outcomes</b>	<b>Homework Assignments, Due dates</b>
<b>February</b> 12/2-16/2	1		LO1	
<b>February</b> 19/2-23/2	2		LO2	
<b>May</b> 28/5- 31/5		<b>General Review</b>		