

Business Administration Department

Auditing – Accounting 206

Spring 2018 – Online Education

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Office Hours: By appointment

Course Description: This course will review contemporary auditing and assurance services and related concepts of evaluation of controls, statistical sampling and substantive testing. Students will learn about Generally Accepted Auditing Standards (GAAS) as well as professional responsibility, legal liability and standards of ethics.

Course Prerequisite: ACCT 201

Required Text / Course Materials: To fulfill the requirements of this course, you MUST have access to a computer. We will be using MyAccountingLab this term along with the textbook. MyAccountingLab (accessible at www.myaccountinglab.com) is an online teaching and learning environment that will help you reach your full potential in this course. For this course you are required to purchase access to MyAccountingLab. You will need a registration code to access MyAccountingLab. Please see the attached document for student registration instructions. It is your choice to buy MyAccountingLab with or without the printed text.

Options:

1. You can buy an access code packaged with the textbook available at the CCP bookstore or;
2. You can buy instant access with a credit card or PayPal account (visit: <http://www.pearsonmylabandmastering.com/northamerica/)>and click ‘Student’ icon under the Register heading.

IMPORTANT NOTE: If you purchase a used copy of the book you will still be required to purchase the MyAccountingLab access code.

Required Text: Auditing and Assurance Services Plus MyAccountingLab, 16th edition Authors: Alvin A Arens, Randal J. Elder and Mark S. Beasley

ISBN for student value edition (available at CCP bookstore): 9780134417301 ISBN for hardback edition: 9780134065823

Publisher: Pearson

# STUDENT LEARNING OUTCOMES:

* 1. Distinguish the differences among assurance, attestation, and services as well as identify the regulatory bodies that affect the nature and quality if the services.
  2. Define corporate governance, identify the key components of the Sarbanes- Oxley Act and discuss generally accepted auditing and attestation standards.
  3. Discuss the importance of independence as well as identify the major threats to independence as well as describe the audit risk model and its components.
  4. Identify the various types of risk relevant to conducting an audit as well as describe the audit risk model and its components.
  5. Discuss internal controls including computers-based controls and their effect on the financial statement audit.
  6. Define the various types of fraud and describe the auditor’s responsibility for fraud detection. Explain how to integrate fraud detection procedures into financial statement.
  7. Explain the concept of accounting cycles of processes and their impact on audit approaches. Identify the accounts and relevant assertions for each cycle and describe the approach the auditor would take to perform an audit and address fraud risk for each cycle.
  8. Apply the steps involved in assessing the going concern assumption. Describe the contents of and disclosure of loss contingencies and subsequent events.
  9. Describe the information included in the various audit reports. Identify the types of opinions and the circumstance in which each type is appropriate.
  10. Describe the causes of legal action against auditors and identify the professional requirements that help assure audit quality and minimize auditor exposure to liability suits.

# Course Policies:

* + - **Note:** The Community College of Philadelphia has developed College Policies and Procedures to protect the rights of students and provide information and resources to enhance the student’s learning experience at the college. It is recommended that all students read and reference these documents. You may review these memoranda at the reserve book in the Library, at the Office of Vice President for Student Affairs, M2-37 or the Office of Student Activities, S1-10. You can also access the documents online at: [***http://www.ccp.edu/site/current/conduct\_code/index.php***](http://www.ccp.edu/site/current/conduct_code/index.php)
    - **Special Accommodations:** Students with verifiable disabilities will be accommodated. Please register with Center on Disability, M1-22, during the first two weeks of class. Students who are registered with the Center on Disability must inform the instructor by the end of the first week of classes if special accommodations are requested.
    - **Students receiving Title IV Financial Aid Funds:** Effective Fall 2000, students who receive Title IV financial aid funds and who withdraw from ALL their classes before completion of 60% of the term, i.e., the 10th week (or its equivalent for summer terms) may be required to return all or a portion of their financial aid award. If it is determined that funds must be returned to the financial aid programs, students must make satisfactory payment arrangements within 45 days of notification or they become ineligible for further financial aid.
    - **Community College of Philadelphia's Early Alert Initiative:** The system positively intervenes in Community College of Philadelphia's students' academic paths early and appropriately by effectively communicating current performance and supplying information beneficial to academic success. Faculty members have the opportunity to complete Early Alert reports at 20% and 50% reporting periods during the semester. Students will be assessed on the following items: attendance, punctuality, meeting assignment deadlines, classroom behavior, classroom participation and other factors pivotal to student success. Should you receive an Early Alert letter, you should follow up on the suggested intervention strategy as soon as possible.
    - **Attendance:** College Policy and Procedure #5 allows your instructor to withdraw any student from the class who has missed at least two weeks of class.
    - **Classroom Conduct:** It is expected that students will conduct themselves according to the guidelines found in the CCP College Policies and Procedures Article IV, 5.
    - **Academic Honesty:** Except when permitted by your instructor, all work is expected to reflect an individual effort. Attribution should be given when appropriate. All students are expected to understand what constitutes cheating and plagiarism as described in College Policies and Procedures Memorandum #3 (P&P#3). If a violation of P&P#3 is found or suspected, a formal judicial process will be conducted to investigate the violation and the consequences will range from an F for the assignment to an F for the course.
    - **Modules:** This course is made up of a number of weekly modules. Within each weekly module there are discussion forums, assignments, and quizzes. You should complete all of the required assignments in one module before starting the next, since the work may be cumulative. The deadline for submitting your assignments and completing your quizzes each week (except for the final week) is Sunday at 11:59 PM.
    - **Discussion Forums:** The interaction in discussion forums will serve as a learning tool which is aimed

at fostering peer learning and we will work collaboratively to discuss issues and problems. We will have at least one topic to discuss each week. Your initial post is due on Wednesdays at midnight, and response posts are due on Sundays at midnight. Please respond in-depth to at least 2 postings from your classmates.

* + - **Homework Assignments:** Homework assignments are an integral part of any course you take. Throughout this course, homework assignments need to be completed and submitted for part of your grade. Homework submissions will be accomplish by either answering specific questions about problems you are assigned, or by submitting files for me to review. The Canvas page for the course contains the required homework assignments. You must complete your homework and submit it by the announced due date. **Assignments not submitted by the due date will receive a zero. Students who cannot submit assignments on time because of emergency, unexpected events, or extreme illness should contact the instructor BEFORE THE DUE DATE or as soon as circumstances allow and ask for consideration and be prepared to produce documentation.**

# Communications:

* + - **Canvas:** The College uses Canvas, a Learning Management System, for course administration. The syllabus, any handouts and assignments will be posted for the course in Canvas. It is the student’s responsibility to check this website to keep updated on the class. Canvas will also be used for announcements, messages, discussion forums, uploading projects and grading. To use Canvas, you need your MyCCP Email address. NOTE: Your Username is the same for both MyCCP and Canvas, but the password must be created separately for Canvas. Please see the attached document for login directions to Canvas. If you have any questions or concerns using Canvas, please contact the Office of Distance Education at [distance\_ed@ccp.edu.](mailto:distance_ed@ccp.edu)
    - **Email:** A great deal of communication is done electronically. Students are responsible for checking their CCP e- mail accounts. Failure to check CCP email account does not excuse the student from any missed assignments, classes, etc. ALL email written to the instructor must be written in a professional manner to earn a reply.

**Grading:** The College grading scale will apply. Your final grade will be determined by the grades you earn on homework assignments, examinations, and for participation in class “forums.” Each of these components of your final grade will be weighted as follows:

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| --- | --- |
| Homework Assignments | 20% |
| Quizzes | 10% |
| Exams (2 midterms each 15%; final worth 20%) | 50% |
| Discussion Forum Participation | 10% |
| Final Term Project | 10% |

The following grading scale is used for all College courses.

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| --- | --- | --- |
| 90 – 100 | = | A |
| 80 – 89 | = | B |
| 70 – 79 | = | C |
| 60 – 69 | = | D |
| Below 60 | = | F |

**Course Outline**

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| --- | --- | --- | --- |
| **Module** | **Contents** | **Chapter** | **Assignments** |
| 1 | The demand for audit and other assurance services  The CPA profession and global standards-setting | 1 | Homework & Quiz for each |
|  |  | chapter administered through |
|  | 2 | MyAccountingLab; Weekly |
|  |  | Discussions administered through |
|  |  | Canvas |
| 2 | Audit reports | 3 | Homework & Quiz for each |
|  | Professional ethics | 4 | chapter administered through |
|  |  |  | MyAccountingLab; Weekly |
|  |  |  | Discussions administered through |
|  |  |  | Canvas |
| 3 | Legal liability | 5 | Homework & Quiz for each |
|  | Audit responsibilities and objectives | 6 | chapter administered through |
|  |  |  | MyAccountingLab; Weekly |
|  |  |  | Discussions administered through |
|  |  |  | Canvas |
| 4 | Audit evidence  Audit planning and analytical procedures | 7 | Homework & Quiz for each |
|  | 8 | chapter administered through |
|  |  | MyAccountingLab; Weekly |
|  |  | Discussions administered through |
|  |  | Canvas |
| 5 | Assessing the risk of material misstatement  Assessing and responding to fraud risks | 9 | Homework & Quiz for each |
|  |  | chapter administered through |
|  | 10 | MyAccountingLab; Weekly |
|  |  | Discussions administered through |
|  |  | Canvas |
| 6 | Internal control and COSO Framework  Assessing control risk and reporting on internal controls | 11 | Homework & Quiz for each |
|  |  | chapter administered through |
|  | 12 | MyAccountingLab; Weekly |
|  |  | Discussions administered through |
|  |  | Canvas |
| 7 | Overall audit strategy and audit program  Audit of the sales and collection cycle: tests of controls and substantive tests of transactions | 13 | Homework & Quiz for each |
|  |  | chapter administered through |
|  | 14 | MyAccountingLab; Weekly |
|  |  | Discussions administered through |
|  |  | Canvas |
|  | Spring Break 3/5/18 – 3/10/18 |  |  |
| 8 | Audit sampling for tests of controls and substantive tests of transactions  Completing the tests in the sales  and collection cycle: accounts receivable | 15 | Homework & Quiz for each |
|  |  | chapter administered through |
|  | 16 | MyAccountingLab; Weekly |
|  |  | Discussions administered through |
|  |  | Canvas |
| 9 | Audit sampling for tests of details of balances  Audit of the acquisition and payment | 17 | Homework & Quiz for each |
|  |  | chapter administered through |
|  | 18 | MyAccountingLab; Weekly |

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|  | cycle: tests of controls, substantive tests of transactions, and accounts payable |  | Discussions administered through Canvas |
| 10 | Completing the tests in the acquisition and payment cycle: verification of selected accounts  Audit of the payroll and personnel  cycle | 19 | Homework & Quiz for each |
|  |  | chapter administered through |
|  |  | MyAccountingLab; Weekly |
|  | 20 | Discussions administered through |
|  |  | Canvas |
| 11 | Audit of the inventory and warehousing cycle  Audit of the capital acquisition and repayment | 21 | Homework & Quiz for each |
|  |  | chapter administered through |
|  | 22 | MyAccountingLab; Weekly |
|  |  | Discussions administered through |
|  |  | Canvas |
| 12 | Audit of cash and financial instruments  Completing the audit | 23 | Homework & Quiz for each |
|  | 24 | chapter administered through |
|  |  | MyAccountingLab; Weekly |
|  |  | Discussions administered through |
|  |  | Canvas |
| 13 | Other assurance services  Internal and governmental financial auditing and operational auditing | 25 | Homework & Quiz for each |
|  | 26 | chapter administered through |
|  |  | MyAccountingLab; Weekly |
|  |  | Discussions administered through |
|  |  | Canvas |
| 14 | Final Term Project |  | See assignment posted in Canvas |