

Spring 1-2004

# ACCT 441.01: Auditing

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## Recommended Citation

Herron, Terri L., "ACCT 441.01: Auditing" (2004). *Syllabi*. 4399.  
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## ACCT 441 Syllabus – Overview

### Objectives

The objectives of this course are to (1) introduce students to the assurance profession and (2) provide integration and understanding of auditing concepts, standards, and practices.

### Outcomes

At the completion of this course, a successful student will be able to do the following:

- Describe the relationship between attestation, assurance, and auditing engagements and their roles in society
- Understand the role of ethics and the Code of Professional Conduct in the profession
- Identify important audit standard-setting bodies
- List and explain the 10 generally accepted auditing standards
- Write the standard audit report
- Understand the steps in the audit process
- List and explain the management's financial statement assertions
- Relate audit objectives to assertions
- Define the elements of audit risk and their relationship to one another
- Thoroughly understand best practices for internal control
- Understand the auditor's responsibility with regards to fraud
- Identify risks within each audit area
- Identify and associate audit procedures in a particular area with risks, assertions, and audit objectives for the area

### Professional Exams

Material covered in this course is also covered on a number of professional certification exams.

- [Certified Public Accountant](#) – one of the four parts is devoted to external auditing topics
- [Certified Internal Auditor](#) – two of the four parts are devoted to auditing topics, with a specific focus on internal auditing
- [Certified Fraud Examiner](#) – one of the four parts covers auditing from a fraud discovery perspective
- [Certified Information Systems Auditor](#) – ten percent of this exam covers the audit process from an IS audit perspective

### Prerequisites

Students enrolled in ACCT 441 must meet the following requirements:

- Junior level standing in business, including completion of all lower courses required of business majors – no exceptions to this requirement will be made.
- Completion of ACCT 310, ACCT 311, and ACCT 312. Students may take ACCT 312 and ACCT 441 concurrently, only if this is approved by the instructor. The requirement to have completed ACCT 310 and ACCT 311 will not be waived.
- Mastery of written and spoken English. No dictionaries will be allowed during exams.

### Materials

Students are required to have the following items available:

- *Auditing & Assurance Services, 10<sup>th</sup> Ed.*, by J. Robertson and T. Louwers (available in bookstore)
- Blackboard account (set up in class, requires active email address)
- *AICPA Professional Standards*, available free in SOBA labs or for purchase from AICPA

## Grading

Students' mastery of the course material is determined as follows:

Quizzes (12, drop 2 = 10 @ 10 pts each)	100 pts	A=100-90%
Exam 1	100 pts	B=89.9-80%
Exam 2	100 pts	C=79.9-70%
Comprehensive Final Exam	150 pts	D=69.9-60%
Written Assignments (estimated points)	<u>50 pts</u>	F=59.9% & lower
Total points (estimated points)	<u>500 pts</u>	

Grades are determined based on the percentage of total points available. The total points available will be adjusted for the final points allocated to assignments.

Grades will not be curved, and extra credit is not available.

This course must be taken for a letter grade. Audits are allowed only if the student registers for the course under the audit status by the second week of class.

## Course Policies

**Professional Conduct** - Auditing is a professional endeavor. I expect students to conduct themselves in a professional manner at all times. Professionalism includes attending class prepared for the day's topic, being prompt for class, submitting assignments on time, and refraining from disruptive behavior during the class period.

**Assignments** – Written assignments are assigned and collected for a grade. Students should demonstrate pride in all their work. All work products should be typed unless otherwise noted. Written assignments should be of a quality you would submit to your boss or a client and should be free from grammatical and spelling errors. Points will be deducted from any assignment containing grammatical or spelling errors. Please carefully proof your work.

**Homework** – In addition to written assignments (see above), daily homework is assigned to reinforce concepts learned. As with any accounting course, diligent preparation of homework will greatly enhance your mastery of the material. Homework will be self-graded and reviewed during class, unless otherwise announced.

**Quizzes** – Students may drop their lowest two quiz scores. Missed quizzes count as a zero and cannot be made up. In other words, if you miss two quizzes for any reason, those two zeros would be dropped. Please use your two dropped quizzes wisely to maximize your overall quiz average.

**Exams** – Exams must be taken during the regular class period. Makeup exams are not administered unless a circumstance is serious and unavoidable by the student.

**Graduate Credit** – Graduate students wishing to take ACCT 441 for graduate credit must complete additional assignments. All graduate students need to meet with the instructor the first week of class to inform the instructor if graduate credit is desired.

**Drops** – I will approve drop slips through March 9<sup>th</sup> (grade=W). After this date, students must petition to drop the course (grade=WP only for 70% or higher). I follow University and departmental policy for petitions. Thus, I will not approve petitions to drop unless the student provides documentation substantiating s/he meets one of the listed valid reasons for dropping according to the University catalog. Please note that poor academic performance and its consequences are not valid reasons for petition approval.

## Tentative Schedule & Quiz Topics

*This is a rough outline of the course topics and quizzes (always on Thursdays).  
Please see the specific chapter "Assignments" folders for details.*

Week 1	T	1/27	Ch. 1 Introduction to Auditing
	R	1/29	Q1=Management Assertions
Week 2	T	2/3	Ch. 2 Professional Standards
	R	2/5	Q2=GAAS: General and Fieldwork Standards
Week 3	T	2/10	Ch. 3 Reporting
	R	2/12	Q3= GAAS: Reporting Standards
Week 4	T	2/17	Ch. 4 Materiality and Risk
	R	2/19	Q4= Standard Report (through second paragraph)
Week 5	T	2/24	Review and Wrap-Up
	<b>R</b>	<b>2/26</b>	<b>Exam 1 (ch1-4)</b>
Week 6	T	3/2	Ch. 5 Audit Planning
	R	3/4	Q5=Audit Risk Model
Week 7	T	3/9	Ch. 6 Internal Control and Control Risk
	R	3/11	Q6=Seven Control Objectives
Week 8	T	3/16	Ch. 7 Consideration of Fraud
	R	3/18	Q7=Seven Types of Audit Procedures
Week 9	T	3/23	Review and Wrap-Up
	<b>R</b>	<b>3/25</b>	<b>Exam 2 (ch5-7)</b>
<b>SPRING BREAK</b>			
Week 10	T	4/6	Ch. 8 Auditing the Revenue Cycle
	R	4/8	Q8=A/R Substantive Audit Program
Week 11	T	4/13	Ch. 9 Auditing the Expenditure Cycle
	R	4/15	Q9=Inventory Substantive Audit Program
Week 12	T	4/20	Ch. 12 Completing the Audit
	R	4/22	Q10=Audit Correspondence (Ex 12-5)
Week 13	T	4/27	App. B Code of Professional Conduct
	R	4/29	Q11=Types of Audit Reports
Week 14	T	5/4	No class
	R	5/6	Q12=Standard Audit Report (all parts)
Week 15	T	5/11	Section 1: 8:00-10:00 Comprehensive Final Exam
	W	5/12	Section 2: 8:00-10:00 Comprehensive Final Exam