

# Minnesota State University Moorhead

## ACCT 460: Audit I

### A. COURSE DESCRIPTION

Credits: 3

Lecture Hours/Week: 3

Lab Hours/Week: \*.\*

OJT Hours/Week: \*.\*

Prerequisites:

This course requires the following prerequisite  
ACCT 330 - Intermediate Accounting I

Corequisites: None

MnTC Goals: None

Coverage includes the theory of auditing, generally accepted auditing standards, audit reports, quality control, ethical decisions, accountants' liability, fraud detection, audit objectives and procedures, management assertions, audit planning analytical review, risk analysis, internal control evaluation, and tests of controls.

**B. COURSE EFFECTIVE DATES:** 04/14/2003 - Present

### C. OUTLINE OF MAJOR CONTENT AREAS

1. Characteristics and objectives of a financial audit, types and elements of audit reports, generally accepted auditing standards
2. Components and interrelationships of audit risk and materiality
3. Audit procedures for gathering evidence with detailed study of analytical procedures
4. Elements of internal control and auditors responsibilities for public and non-public companies
5. Audit reports, ethical issues, legal liability, and fraud auditing
6. Proficiency of professional writing (Accounting 460 is a writing intensive course)

#### **D. LEARNING OUTCOMES (General)**

1. Define auditing, identify characteristics of a financial audit, explain three types of audits, identify four types of auditor's reports, and indicate the elements of a standard auditor's report. Apply the concepts of auditing standards to management assertions.
2. Explain the objectives of a financial statement audit and identify the steps followed (give an overview) in a financial statement audit.
3. Identify components of audit risk and interpret their interrelationships, define materiality and describe its effect on 1) planning the audit, and 2) evaluating the fairness of the financial statements.
4. Compare and contrast the types of evidence that support a given audit objective, and explain how auditors document their work with working papers.
5. Discuss the purpose of analytical procedures, apply several analytical procedures to the decision process, identify and explain the steps in planning an audit engagement.
6. Distinguish between various elements of an internal control structure, explain the requirements for an auditor's consideration of the internal control structure in an audit, define tests of controls, explain how an auditor assesses control risk, and explain the communication of significant deficiencies and material weaknesses.
7. Distinguish between management and auditor reporting responsibilities under Sarbanes-Oxley Sec. 404 and those of private companies.
8. Distinguish between compilations, reviews, and other assurance services. Specify which standards govern various types of assurance services.

#### **E. Minnesota Transfer Curriculum Goal Area(s) and Competencies**

None

#### **F. LEARNER OUTCOMES ASSESSMENT**

As noted on course syllabus

#### **G. SPECIAL INFORMATION**

None noted