

# 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 describe the elements of a standard auditor's report. Describe the ten generally accepted auditing standards.
2. Describe the objectives of a F/S audit, be able to list the steps followed (give an overview) in a F/S audit.
3. Identify components of audit risk and describe their interrelationships, define materiality and describe its affect on 1) planning the audit, and 2) evaluating the fairness of the financial statements.
4. Describe the types of evidence that supports a given audit objective, list and describe ten specific audit techniques, explain how auditors document their work with working papers.
5. Explain the purpose of analytical procedures, list several analytical procedures, list and explain the steps in planning an audit engagement.
6. Describe the 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, explain the communication of significant deficiencies and material weaknesses.
7. Understand management and auditor reporting responsibilities under Sarbanes-Oxley Sec.-404; define control deficiencies; explain the difference between significant deficiencies and material weaknesses; know how auditors audit internal control.

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

None

**F. LEARNER OUTCOMES ASSESSMENT**

As noted on course syllabus

**G. SPECIAL INFORMATION**

None noted