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Fall 2021

Syllabus for Auditing Concepts & Applications

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ACG 442 Auditing Concepts & Applications Fall, 2021

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cullinan@bryant.edu

Office Hours:

Tuesday & Thursday: 9:30 to 11:00; 1:00 to 2:00

If you prefer to meet on-line, my Zoom office is here:

<https://bryant.zoom.us/my/charlie.cullinan>

Required Resources:

Auditing and Assurance Services, 8th edition. Louwers, Bagley, Blay, Strawser and Thibodeau
(McGraw Hill, 2021)

Course Description:

This course presents the basic concepts and procedures involved in an audit of financial statements. Topical coverage includes audit planning, internal control evaluation, and substantive audit testing.

Course Objectives:

Identify the responsibilities and functions of the public accounting profession.

Appreciate the nature of risk and its effects on the audit process.

Understand the basic constructs of an effective internal control system, and how a control structure affects the audit process.

Realize how audit objectives and audit risk influence substantive audit testing procedures.

Apply data analytics to auditing procedures.

Please remember:

The objective of a financial statement audit is to help ensure reliable information is used in the market to allocate capital resources for sustained economic growth and that assets (like employee pension assets) are secure, which relates to Goal 8 of the UN's Sustainable Development project.



Grading:

Points will be earned as follows:	<u>Points</u>
Exam I	80
Exam II	80
Exam III	80
Audit planning simulation	100
Oral case analysis	<u>10</u>
Total points Available	<u>350</u>

Final grades will be earned as follows:

<u>Total Points</u>	<u>Grade</u>
more than 325	A
315 to 325	A-
308 to 315	B+
291 to 308	B
280 to 291	B-
273 to 280	C+
256 to 273	C
245 to 256	C-
238 to 245	D+
210 to 238	D
less than 210	F

Audit planning simulation:

The audit planning simulation may be completed individually or in groups with a maximum of 4 members. More information on this project will be forthcoming soon. The planning simulation is due on November 18th. Late papers are not accepted.

Oral case analysis:

Each student will be randomly assigned to discuss a case in class. The class discussion is to be prepared individually by each student assigned to a particular case to discuss in class. The weeks during which the cases will be discussed are shown on the tentative schedule.

General class policies:

Attendance:

Class attendance is recommended.

Academic integrity:

The highest standards of academic integrity are expected. No violation of the academic honor code will be tolerated.

Retention policy:

Assignment &c for this class will be preserved by the instructor for one semester after final grades are submitted.

Student Responsibilities:

1. Read the chapters and review your understanding of the significant terms at the back of each chapter before we discuss the material in class.
2. Be prepared to discuss the assigned cases, exercises &c during class. An e-mail will be sent to the class list approximately once each week detailing the specific topics, assignments, etc.
3. Be active participants in the classroom by responding to questions, making other appropriate comments, and seeking clarification of issues which are unclear.
4. Complete the multiple choice questions at the back of each chapter for two reasons:
 - a. to reinforce your understanding of the chapter material.
 - b. to obtain practice in dealing with multiple choice type questions, which are a major component of all of the professional exams.Solutions to these questions are available on the course web page. Please feel free to discuss any of these questions during class.

Instructor Responsibilities:

1. Class time will mainly be spent dealing with the concepts presented in the text, and an exploration of the rationales underlying these concepts.
2. Common themes linking the various chapters will be discussed.
3. Cases and exercises will be used to illustrate the application of concepts.

Exams:

Due to the nature of the material to be covered in this course, all examinations will be cumulative.

The **tentative** exam distribution dates are as follows:

EXAM I	Thursday, October 7 th
EXAM II	Thursday, November 4 th
EXAM III	During finals

These dates are subject to change.

Tentative Schedule

Week of:	Text chapter(s) & other resources	Topic(s)
Part 1: Overview and Professional Responsibilities		
September 6	1	Introduction, PCAOB Standards
September 13	2	PCAOB Standards
September 20	Module B <i>AMC Auditing Case</i>	Code of Professional Conduct
September 27	Module C 3 (pp. 80 to 85) <i>Timothy Daly Case</i>	Legal liability Client acceptance
October 4	4 (pp. 118 to 123) <i>EY Case</i>	Risk model, Assertions
Part 2: Assessing Risks		
October 11	4, AS 2401.85	Inherent risk assessment
October 18	5	Control systems
October 25	5	Control risk assessment
November 1	Module E	Sampling for tests of controls
Part 3: Managing Risks		
November 8	Module G 3 (pp. 94 to 103)	Auditing Analytics Audit evidence
November 15	6	Cash substantive testing
November 22	<i>Santa Fe Mining case</i> AICPA Guidance: ASC 606 7	Revenue recognition Revenue cycle substantive testing
November 29	<i>MiMedx. case</i> 8	Expenditure Cycle substantive testing
December 6	9 <i>Tandy Leather Case</i> 12	Inventory substantive testing Audit reporting