

GRANDE PRAIRIE REGIONAL COLLEGE
COURSE OUTLINE
WINTER 2000

AC 4600
PRINCIPLES OF AUDITING

Instructor:

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Text:

AUDITING and Other Assurance Services, Canadian Eighth Edition, Alvin J Arens, James K Loebbecke, W Morley Lemon and Ingrid B Spletstoesser, Prentice-Hall Canada Inc., 2000, Scarborough, Ontario

Course Description:

Description of Auditing: Auditing is the accumulation and evaluation of evidence about information to determine and report on the degree of correspondence between the information and established criteria. Auditing should be done by a competent, independent person.

This course examines the role of the external auditor and financial reporting, the role of the internal auditor and internal control, and operational auditing. Assurance services other than auditing will also be discussed and examined.

This course will introduce current financial statement auditing theory and practice with an emphasis on the practical application of auditing techniques and procedures from the perspective of the auditor. The decision making process as relates to auditing practice and the exercise of professional judgement in the context of practical situations will be major components of this course. The *CICA Handbook, Volume II* and other Canadian reference will be used to provide this course with an emphasis on Canadian auditing theory and practice.

This course will involve three hours per week of lectures and two hours per week of lab activities.

Course Content: Chapters 1-25

Topics:

A. The Auditing Profession	
• Overview	Chapter 1
• Introduction to Auditor's Report	Chapter 2
• Professional Ethics	Chapter 3
• Legal Liability	Chapter 4
B. Financial Statement Auditing Process	
• Audit Responsibilities and Objectives	Chapter 5
• Audit Evidence	Chapter 6
• Planning and Documentation	Chapter 7
• Materiality and Risk	Chapter 8
• Internal Control and Assessment of Control Risk	Chapter 9
• Overall Audit Plan and Audit Program	Chapter 10
C. Audit Process: Sales and Collections Cycle	
• Audit Sampling Concepts	Chapter 11
• Tests of Controls	Chapter 12
• Analytical Review	Chapter 13
• Completing Tests	Chapter 14
D. Application of Audit Process to Other Cycles	
• Payroll and Personnel Cycle	Chapter 15
• Acquisition and Payment Cycle	Chapter 16
• Acquisition and Payment Completion: Verification of Selected Accounts	Chapter 17
• Inventory and Warehousing Cycle	Chapter 18
• Capital Acquisition and Repayment Cycle	Chapter 19
• Cash Balances	Chapter 20
E. Completing the Audit and other Services	
• Completing the Audit	Chapter 21
• Automated Information Systems	Chapter 22
• Attest Engagements	Chapter 23
• Direct Reporting and Business Advisory Services	Chapter 24
• Internal Auditing and Comprehensive Auditing	Chapter 25

Evaluations:

Quizzes	4 @ 5 % each after Topics A-D	20%
Assignments	8 @ 5 % each	30%
Cases	1 @ 10 % and 1 @ 15 %	25%
Final	Cumulative	25%