

**INTER AMERICAN UNIVERSITY OF PUERTO RICO
METROPOLITAN CAMPUS
ECONOMICS AND ADMINISTRATIVE SCIENCES FACULTY
SCHOOL OF ECONOMICS
ACCOUNTING MBA PROGRAM**

SYLLABUS

I. GENERAL INFORMATION

Course title : **ADVANCED AUDITING**
Course Code : **ACCT 6300**
Credits : **3**
Term :
Professor :
Office Hours :
Phone Number :
E-mail address :

II. DESCRIPTION

Evaluation and application of Generally Accepted Auditing Standards (GAAS). Analysis of trends in the practice of profession. Study of the auditing process and other related services. Analysis of the external auditor's role in agreement with the norms and laws that regulate the practice.

Textbooks: AICPA Professional Standards - as of June 1, 2009

Research paper:

Auditing Cases - An Interactive Learning Approach

Authors: Beasley, Buckless, Glover, Prawitt

Publisher: Pearson - Prentice Hall

Edition: 4th or 4e

Recommended:

Auditing and Assurance Services - Thirteenth Edition

Authors: Arens, Elder and Beasley

Pearson Prentice Hall

III. OBJECTIVES

1. Distinguish between auditing and accounting
2. The importance of information risk when conducting an audit
3. List the causes of information risk and how this risk can be reduced
4. Distinguish audit services from other assurance and nonassurance services
5. Differentiated the three main types of audits
6. identify the nature of CPA firms, what they do and their structure
7. Understand the role of the Public Company Accounting Oversight Board
8. Learn the importance of the role of the SEC in accounting and auditing
9. Describe the key functions performed by the AICPA
10. Discuss the relationship of the United States and International Auditing Standards
11. Learn the General Standards
12. Learn the Generally Accepted Auditing Standards
13. Identify the role of quality control standards and an accounting practice
14. Distinguish ethical from unethical professional behavior as well as personal behavior and learn the importance of ethical conduct to the accounting profession
15. Learn the AICPA rule of independence and its importance
16. Understand the requirements of the AICPA Code of Professional Conduct
17. Differentiate between the objectives of conducting an audit of financial statements and an audit of internal control
18. Distinguish managements responsibility for the financial statements and internal control from the auditor's responsibility for his opinion and for discovering material misstatements
19. Explain the relationship between audit objectives and the accumulation of audit evidence
20. Learn to design audit programs
21. Learn the characteristics of persuasive evidence
22. Learn the importance and purpose of audit documentation
23. Explain the importance of audit planning
24. Explain the need and reason for understanding the client's business and industry
25. Learn how to assess the client business risk
26. Learn planned detection risk, inherent risk and control risk
27. Evaluation of management's integrity
28. Learn how to obtain and document an understanding of internal control

29. Learn how to design and perform tests of controls
30. Distinguish between fraudulent financial reporting and misappropriation of assets
31. Understand the auditor's responsibility for assessing the risk of fraud and detecting material misstatements due to fraud
32. Select the appropriate type of audit test
33. Learn how to audit the sales and collection cycle- test of controls and substantive tests of transactions
34. Learn audit sampling for tests of controls and substantive tests of transactions
35. Learn how to audit the acquisition and payment cycle - tests of controls, substantive tests of transactions, and accounts payable
36. Learn how to audit the payroll and personnel cycle
37. Learn how to audit the capital acquisition and repayment cycle
38. Learn how to audit cash balances
39. Learn all the procedures to complete the audit including the accountant's report

IV. CONTENT

The Public Accounting Profession and its Relationship to Financial Accounting

Historical Background

AICPA Mission Statement

A Description of the Professional Practice of Certified Public Accountants

Council Resolution Designating Bodies to Promulgate Technical Standards

Adherence to Generally Accepted Accounting Principles

The Hierarchy of Generally Accepted Accounting Principles

Applicability of AICPA Professional Standards and Public Company

Accounting Oversight Board Standards

Lack of Conformity with GAAP

Accounting Principles (Rule 203)

Part 2 - The Public Accounting Profession: Auditing and Other Functions

Definitions

Defining Professional Requirements in Statements on Auditing Standards

Compliance with Standards

General Standards

Code of Professional Conduct

Generally Accepted Auditing Standards

Nature of the General Standards (GAAS)

Training and Proficiency of the Independent Auditor

Independence

Conceptual Framework for AICPA Independence Standards

Independence

Due Professional Care in the Performance of Work

Responsibilities and Functions of the Independent Auditor

Association with Financial Statements

Statement on Standards for Valuation Services

Consulting Services

Quality Control

Standards for Performing and Reporting on Peer Reviews

Tax Services

Personal Financial Planning

Continuing Professional Education

Statements on Standards for Attestation Engagements

Agreed-Upon Procedures Engagements

Financial Forecasts and Projections

Reporting on Pro Forma Financial Information

Examination of an Entity's Internal Control

Compliance Attestation

Management's Discussion and Analysis

Statements on Standard for Accounting and Review Services

Part 3 - Fraud and illegal acts

Consideration of Fraud in a Financial Statement Audit

Illegal Acts by Clients

Part 4 - The standard audit report, modifications and other types of reports and letters

Planning and Supervision

Communications Between Predecessor and Successor Auditors

Reports on Audited Financial Statements

Part of Audit Performed by Other Independent Auditors

The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern

Inquiry of a Client's Lawyer Concerning Litigation, Claims and Assessments

Adequacy of Disclosure in Financial Statements

Consistency of Application of GAAP

Dating an Independent Auditor's Report

Subsequent Events

Subsequent Discovery of Facts Existing at the Date of the Report

Consideration of Omitted Procedures After the Report Date

Restricting the Use of an Auditor's Report

Special Reports

The Auditor's Communication With Those Charged With Governance

Reports on the Application of Accounting Principles

Reporting on Financial Statements Prepared For Use in Other Countries

Other Information In Documents Containing Audited Financial Statements

Reporting on Information Accompanying the Basic Financial Statements In Auditor Submitted Documents

V. ACTIVITIES

Conferences

Case analysis

VI. COURSE EVALUATION:

Tests There will be a single all term inclusive final test that will be counted for 50% of the grade.

Term Paper The term paper will be the other 50% of the final grade.

Attendance The attendance to class is required. For every three absences the grade will be reduced once.

TERM PAPER

Case Assigned: Auditing Cases - An Interactive Learning Approach

Authors: Beasley, Buckless, Glover, Prawitt

Publisher: Pearson - Prentice Hall Fourth Edition or Fourth Edition E

The Term Paper is considered to be an independent study to be submitted the last day of class.

Students may elect to work alone or with one other student only. The term paper must be accompanied by all the members of the group indicating the contribution to the term paper of each member of the group. When addressing solutions to problems, the student should indicate the source used preferably the Statements on Auditing Standards when applicable. Please do not use a textbook as reference because they are not authoritative guidelines.

CASES ASSIGNED

VII. SPECIAL NOTES

A. Special Accommodations

Students who require special accommodations must request these services at the beginning of the course as soon as they notice that they need help. Students can access the service with Professor Jose Rodriguez, Coordinator of Students with Special Needs at the Guidance and counseling office on the first floor at Metro's Student Center.

B. Plagiarism, dishonesty, fraud and any other type of manipulation or inappropriate behavior related with academic performance are unacceptable in our institution.

Disciplinary actions will be taken on students found guilty of such practice as established in Chapter V, Article 1, Section B.2 of the Student's Rules and Regulations Handbook.

Inter-American University has very strict regulations regarding plagiarism (using the ideas or words of others without giving proper credit), so it is important that you specifically read Chapter V, Article 1, Section B.2C of the Student's Rules and Regulations Handbook.

This section clearly explains what plagiarism is. In addition, it explains the types of sanctions students are exposed to when they commit it.

C. Use of Electronic Devices

Cellular (mobile) telephones and any other electronic device that could interrupt the teaching-learning process or disrupt a milieu favorable for academic excellence will be deactivated. Critical situations will be dealt with an appropriate manner. The use of electronic devices that permit the accessing, storing or sending of data during tests or

examinations is prohibited.

VIII. EDUCATIONAL RESOURCES

Smieliauskas, W. & Bewley, K (2010): *Auditing: An International Approach*, Fifth Edition, McGraw Hill

IX. BIBLIOGRAPHY

AICPA, *Code of Professional Ethics*

Journal of Accountancy – American Institute of Certified Public Accountant

The Accounting Review – American Accounting Association

Strategic Finance - Institute of Management Accountants

1. Colegio de Contadores Públicos Autorizados de Puerto Rico:
<http://www.colegiocpa.org>
2. AICPA: <http://www.aicpa.org>
3. FASB: <http://www.fasb.org>
4. IMA: <http://www.imanet.org>
5. U. S. Securities and Exchange Commission
<http://www.sec.gov/>
6. International Accounting Standards Board
<http://www.iasb.org.uk>
7. National Association of State Boards of Accountancy
<http://www.nasba.org>.
8. Public Company Accounting Oversight Board
<http://www.pcaobus.org>.