

**Master Syllabus
Bus 434 –Auditing (4)
School of Business and Economics
Sonoma State University**

I. Catalog Description:

Study of generally accepted auditing standards and procedures followed in the examination of financial statements and operating control reviews. Topics include evaluation and analysis of internal control, the nature of and procedures for gathering audit evidence, professional ethics and legal liability, the standards of reporting financial information, and statistical sampling applications. Prerequisites: BUS 330A and 330B.

II. Course Learning Outcomes:

After completing this course students should be able to:

- Discuss different types of audits and auditors
- Describe auditor's responsibility for errors, fraud and illegal acts
- Understand the importance of ethics and independence to the audit function
- Discuss how the concepts of materiality, audit risk, and evidence apply to the audit process
- Explain why auditors use sampling techniques
- Describe the major phases of the audit process and the basic elements of the audit report
- Understand generally accepted auditing principles as audit criteria
- Limitations and application of the audit risk model
- Discuss the contents, types, organization and ownership of working papers
- Understand the audit objects that relate to management assertions
- Discuss types of audit tests
- Discuss components and importance of internal control
- Describe the audit process in an IT environment
- Plan an audit strategy
- Discuss audit sampling
- Describe audit issues related to contingent liabilities and commitments
- Explain when different auditor reports should be used
- Describe rules of conduct that relate to independence, integrity and quality control

- Discuss the legal environment of auditors

III. Course Materials

Textbook such as *Auditing and Assurance Services: A Systematic Approach* by William F. Meier, Jr.

IV. Teaching Methods:

Primary teaching methods are conceptual lectures and in-class review and discussion of problems.

V. Evaluation Tools:

The course grade will be based on 60 to 75% examinations and quizzes, 15 to 30% practice sets, cases and homework, 5 to 20% group and in-class participation.

VI. Course Content:

A. Course Topics

- Auditing assurance services
- Financial statement auditing
- Materiality and audit risk
- Evidential matter, types of evidence, and working paper documentation
- Audit planning and types of audit tests
- Internal control in a financial statement audit
- Effects of information technology on the audit function
- Audit sampling
- Completing the engagement
- Reports on audited financial statement and special reporting issues
- Code of professional conduct and quality control standards
- Legal liability
- Assurance, attestation and other forms of service

B. Perspectives for Business Decisions:

Business Decisions	Minimum Number of 50 Minute Periods Devoted to Topic	Required Graded Work Other Than Exams
International/Global	0	*
Ethical Issues	10	*
Political Issues	1	*
Social Issues	1	*
Legal/Regulatory Issues	4	*
Environmental Issues	0	*
Technology Issues	4	*
Demographic Diversity	0	*

* Required graded work other than exams will be at the discretion of the instructor

C. Interdisciplinary Skills:

Skills	Required Graded Work Other Than Exams?
Oral Communications	Yes
Written Communications	Yes
Critical Thinking	Yes
Working in Teams	Yes