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ROWAN UNIVERSITY CURRICULUM PROPOSAL

PROPOSAL TITLE: Auditing Theory C502-501

CHECK APPROPRIATE: UNDERGRADUATE GRADUATE SEMESTER HOURS 3

SPONSOR(S): Dept of Accounting & Finance

DEPARTMENT/TELEPHONE # 4384

CHECK ONE: COURSE MINOR PROGRAM CONCENTRATION SPECIALIZATION
 ACHIEVEMENT CERTIFICATE CERTIFICATION PROGRAM MAJOR PROGRAM

Step #1 (Department)	Step #2 (Receipt)	Step #3 (School)
<input checked="" type="checkbox"/> Approved (Date) <input type="checkbox"/> Not Approved (Date) <u>[Signature]</u> Dept. Curriculum Chr. <u>11/16/97</u> Reviewed (Date) <u>[Signature]</u> Dept. Chr.	SCC# <u>97-98-48</u> <u>10-16-97</u> Date Received Senate <u>[Signature]</u> Senate Curriculum Chr.	Reviewed Date: <u>2/7-1/97</u> <input checked="" type="checkbox"/> Recommend to Approved <input type="checkbox"/> Recommend NOT to Approve Forward for Open Hearing: <input type="checkbox"/> WITHOUT Reservations <input type="checkbox"/> WITH Reservations: Comments: <u>[Signature]</u> School Committee Chr.

Step #4 (Academic Dean): Recommended NOT Recommended Conditionally Recommended (See Comments)

Comments:

Dean Signature/Date: [Signature] 11/5/97

Step #5 (Senate Curriculum Committee): Open Hearing Date: 12/15/97 Approved by Curriculum Committee Date: 12/17

Returned to Sponsor(s) for the following reason:

Step #6 (Senate) Date announced/voted on at Senate: 12/17/97 If voted on: Approved NOT Approved

Date forwarded to Executive Vice President/Provost: 3/1/98

Senate Curriculum Committee chair Signature/Date: [Signature] 3/19/98

Step #7 (Executive Vice President/Provost): Date Received _____

Approved

NOT Approved If no, reasons are as follows:

Student Credit Hours _____

Faculty Load Hours _____

Equalized Credit Hours _____

Official Copy & Approval Sheet Filed (Date) _____

Executive Vice President/Provost Signature _____

C. J. McKeon

Registrar

Date Approved Course Description Received _____

Hegis Taxonomy and Course Number Assigned *522-501*

Date/Signature of Registrar *Robert A. Kubot 12/17/98*

Notification Forward:

Senate Curriculum Committee Chairperson

Department Chairpersons

Academic Dean(s)

Registrar

Sponsor(s)

Transmittal 1/11/99

ROWAN UNIVERSITY
College of Business
Department of Accounting and Finance

Course Proposal

February 18, 1998

1. BACKGROUND DETAILS

- | | |
|---------------------------------------|---|
| a. Course | Auditing Theory |
| b. Sponsor: | Department of Accounting and Finance |
| c. Credit Hours: | 3 |
| d. Course Level: | Graduate |
| e. Curricular Effect: | Requirement for Master of Science in Accounting |
| f. Prerequisites: | 0502.311 undergraduate Intermediate Accounting II and
1702.260 Statistics |
| g. Implementation: | To be offered every spring starting in the spring of 2000 |
| h. Adequacy of
Present Staff, etc: | Present faculty members are capable of teaching this course.
Present library and other resources are adequate. |

2. RATIONALE

In the mission statement of the Department of Accounting and Finance, it is stated that the Department will implement a 150-semester hour program for accounting majors. The American Institute of Certified Public Accountants (AICPA) has already approved a proposal that 150 college level semester hours of study will be required for membership beginning in the year 2000. The states of New Jersey, Pennsylvania and Delaware have approved legislation requiring 150 credit hours for students to sit for the CPA examination.

The 150-hour Program leading to the combined Bachelor of Science (BS)/Master of Science in Accounting (MS) will be on the cutting-edge designed to prepare accounting students in both public and private accounting. At the present time, we have only one course at the graduate level (an introductory Managerial Accounting course). This is a general course for all

MBA students. To teach the professional skills needed by accountants in the 21st century, a specialization in accounting on the graduate level is a necessity.

3. ESSENCE OF THE COURSE

a. Objectives:

The objective of this course is to provide an introduction to the theory of auditing where the student will be exposed to the nature of auditing and auditing firms, audit reports, and generally accepted auditing standards. This course will examine the variety of services offered by the public accounting profession and introduce students to the methods and techniques used in providing these services. Much of the discussion will focus on the approach and techniques used for financial statement audits, however the application of these concepts to other types of assurance services will be explored.

In addition, the student will:

1. Identify concepts and issues and develop frameworks for the application of auditing to the business environments.
2. Integrate the quantitative skills acquired in the business curricula.
3. Provide opportunities to develop computer skills in auditing analysis.
4. Apply research, public speaking and writing skills in the preparation of a term paper and presentations.
5. Develop an ability to think holistically about business problems.
6. Develop the capacity to make informed ethical choices, as they relate to the role of the auditing environment.

b. Topical Outline/Content:

1. The Changing Practice Environment: Public Accounting Firms and the Scope of Their Services
 - 1.1 An introduction to the public accounting profession
 - 1.2 An overview of auditing
 - 1.3 Broadening the scope of professional services: the need for assurance services outside.
 - 1.4 Serving the public interest: defining the profession's responsibilities.
 - 1.5 Professional guidance: the AICPA Code of Professional conduct.
 - 1.6 Audit failures.

- 1.7 Legal liability
 - 1.8 Performing attestation engagements
 2. Concepts: Materiality, Risk, and Evidence
 - 2.1 Materiality
 - 2.2 Risk
 - 2.3 Evidence
 - 2.4 Audit plan
 3. Tool: Relying on Controls and Sampling
 - 3.1 Internal control
 - 3.2 Other assurance services
 - 3.3 EDP environment
 - 3.4 Sampling for tests of controls
 - 3.3 Sampling in substantive testing
 4. Application of Concepts and Tools to Engagements
 - 4.1 Internal control evaluation for revenue cycle
 - 4.2 Substantive testing for revenue cycle
 - 4.3 Performing the audit for the revenue cycle
 5. Completing and Reporting on the Engagement
 - 5.1 Completing the audit or engagement
 - 5.2 Communicating the result
 - 5.3 Other types of reports and special reporting issues
 6. The Changing Practice Environment
 - 6.1 The public accounting firm of the next century
 - 6.2 Current developments and contemporary issues in auditing
- c. Evaluation and grading:
1. Students will be evaluated using the following:
 - a. Examinations
 - b. Case studies, practice sets, and/or term paper
 - c. Computer project
 - d. Case or practice set presentation
 - e. Class participation
 2. Relevant learning outcomes assessments will be used together with instructor and student evaluations.

Catalog Description

Auditing Theory

3 s.h.

Graduate

This course provides an introduction to the theory of auditing, exposing students to the nature of auditing and auditing firms, audit reports, and generally accepted auditing standards. It emphasizes concepts rather than mechanics. Topics covered include the role of the audit, the meaning of various audit reports, systems of internal control, the audit process with respect to various important transaction cycles, liability, fraud and ethics.

Prerequisites:

0502.311	Intermediate Accounting II
1702.260	Statistics I or equivalent