







Accounting (ACCT) 460

Principles of Auditing (Revision 13)

Status:	Replaced with new revision, see the course listing  for the current revision 
Delivery mode:	Individualized study online  . Delivered via Brightspace.
Credits:	3
Area of study:	Applied Studies (Business and Administrative Studies)
Prerequisites:	ACCT 253
Precluded:	None
Challenge:	ACCT 460 is not available for challenge.
Faculty:	Faculty of Business 

Overview

ACCT 460 introduces students to the concepts, principles, and practical applications of auditing in the business world. The course serves the needs of students planning to enter the accounting profession, particularly those who plan to pursue auditing careers. ACCT 460 emphasizes the concepts and practical applications that will serve as a foundation for developing auditing skills.

Outline

- Lesson 1: Introduction to Auditing and Assurance
- Lesson 2: Professional Ethics, Audit Responsibilities, and Client Acceptance
- Lesson 3: Audit Process, Internal Control Components, and IT System Controls
- Lesson 4: Audit Planning, Audit Risk Assessment, and Risk Response
- Lesson 5: Audit Evidence and Audit Sampling
- Lesson 6: Audit Analytical Procedures
- Lesson 7: Audit of the Revenue Cycle and Cash Balances
- Lesson 8: Audit of the Acquisition and Payment Cycle
- Lesson 9: Audit of Inventory and Distribution Cycle, and Human Resources and Payroll Cycles
- Lesson 10: Completion of the Audit and Audit Reports


Learning outcomes

After completing this course, you should be able to:

- Define *auditing* and *assurance*, describe the different types of audits, assurance services, and auditors, state the reasons for audits, review engagement, and discuss compilation.
- Identify the generally accepted auditing standards (GAAS) set by the Chartered Professional Accountants Canada (CPA Canada).

- Explain the other standards that apply to different assurance services and outline how quality control is exercised over public accounting firms.
- Describe the ethical behaviour required of auditors and apply the components of the professional rules of conduct.
- Explain the objectives of auditing and the responsibilities of the auditor and management.
- Describe the major accounting cycles, management assertions, and seven stages of the audit process.
- Explain the five components of COSO framework and apply the 17 COSO principles in design and evaluation of internal controls system.
- Describe the general controls and application controls in an information technology system.
- Perform preliminary audit planning, assess the risk of material misstatement, and develop overall risk response strategies.
- Describe audit procedures for gathering audit evidence and describe several audit sampling methods and processes.
- Design and apply different types of analytical procedures, including audit data analytics (ADA) for various stages in the audit process.
- Identify inherent risk, assess control risk, and design tests of controls, substantive tests, and fraud detection procedures for the following accounting cycles: Revenue and Cash, Acquisition and Payment, Inventory and Distribution, Human Resources, and Payroll.
- Describe general audit procedures for property, plant, and equipment (PPE).
- Design final evidence gathering procedures and explain the evaluation procedures for overall audit results and other information.
- Describe effective communication with an audit committee and management.
- Describe the elements of the auditor's report and determine different types of audit opinion under certain circumstances.


Evaluation


To **receive credit**  for ACCT 460, you achieve a minimum grade of 50 percent on the Final Examination, and achieve a composite course grade of at least **D**


(50%)  .

The ACCT 460 course activities and weightings are as follows:

Activity	Weight
Assignment 1	15%
Assignment 2	15%
Assignment 3	15%
Final Exam	55%
Total	100%

The **final examination** for this course must be requested in advance and written under the supervision of an AU-approved exam invigilator. Invigilators include either ProctorU or an approved in-person invigilation centre that can accommodate online exams. Students are responsible for payment of any invigilation fees. Information on exam request deadlines, invigilators, and other exam-related questions, can be found at the [Exams and grades](#)  section of the Calendar.

To learn more about assignments and examinations, please refer to Athabasca University's [online Calendar](#) .

Note: Students planning to transfer this course to a Chartered Professional Accountant designation are advised that they will be required to achieve a grade higher than the minimum passing grade. See [CPA Requirements](#)  for details.

Materials

Digital course materials

Links to the following course materials will be made available in the course:

Arens, A. A., Elder, R. J., Beasley, M. S., Hogan, C. E., & Jones, J. C. (2022). *Auditing: The art and science of assurance engagements* (15th Can. ed.). Pearson






Canada. ISBN 9780136691983

You may be able to acquire a print copy of the textbook on your own, if you wish. Ensure that the edition number and ISBN match those given above.

Other Resources

All other learning resources will be available online.

Important links

- › [Academic advising](#) 
- › [Program planning](#) 
- › [Request assistance](#) 
- › [Support services at AU](#) 
- › [CPA Requirements](#) 

Athabasca University reserves the right to amend course outlines occasionally and without notice. Courses offered by other delivery methods may vary from their individualized study counterparts.

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View [previous revision](#) 