

Course #: ACCT 4100-01	Asst. Prof.: McKay Hall, CPA, CISA, MAcc
Course Title: Auditing I - 23641	Office: Room 335, Udvar-Hazy Business Bldg.
Credit Hours: 3 semester hours	Phone: 435-879-4338 (office) / 632-8219 (cell)
Meeting time: T,R, 7:30 am to 8:45 am	Email: mhall@dixie.edu
Location: Hazy 230	Office Hours: By appointment
Term: Spring 2011	

REQUIRED TEXT:

Auditing and Assurance Services – 13th Edition – Arens/Elder/Beasley

COURSE DESCRIPTION:

Study of auditing standards, internal accounting, control systems, compliance and substantive audit procedures applied to accounts and transaction cycles, and audit reports. Review of the auditing concepts of materiality and risk, types of evidence and documentation, and an introduction to the ethical and legal responsibilities of the Certified Public Accountant.

Prerequisites: ACCT 3400 and advanced standing in the business baccalaureate program. For those students pursuing a MAcc degree, Auditing II is a course requirement for most graduate programs.

COURSE OBJECTIVES: *Students successfully completing this course will be able to:*

- (1) Describe auditing and assurance services and distinguish audit services from other assurance and non-assurance services provided by CPA's.
- (2) Describe the nature of CPA firms and the role of the PCAOB and SEC, along with the effects of the Sarbanes-Oxley Act on the CPA profession.
- (3) Describe the parts of the standard unqualified audit report and the conditions required to issue the standard unqualified audit report. Identify the types of audit reports that can be issued when an unqualified opinion is not justified.
- (4) Explain the importance of ethical conduct for the accounting profession. Distinguish ethical from unethical behavior in personal and professional contexts. Describe the enforcement mechanisms.
- (5) Understand the litigious environment in which CPA's practice. Describe what the profession and the individual CPA can do, and what is being done to reduce the threat of litigation.
- (6) Explain the objectives of conducting an audit. Distinguish management's responsibility for the financial statements and internal control from the auditor's responsibility for verifying the financial statements and effectiveness of internal control.
- (7) Contrast audit evidence with evidence used by other professions. Understand the purposes of audit documentation and describe how technology affects audit evidence and audit documentation.
- (8) Assess client business risk and discuss why adequate audit planning is essential. Understand the purposes of analytical procedures and the timing of each purpose.
- (9) Discuss how materiality and risk are related and integrated into the audit process.
- (10) Describe the three primary objectives of effective internal control. Understand the process of evaluating, designing, performing and reporting tests of internal control.
- (11) Describe how IT improves internal control and the inherit risks that arise from using an IT-based accounting system. Explain how general controls and application controls reduce IT risks.
- (12) Design and perform the final steps in the evidence-accumulation segment of the audit, and integrate the audit evidence gathered and evaluate the overall audit results.
- (13) Understand the level of assurance and evidence requirements for review and compilation services.

TEXT READING:

Reading the text is crucial for understanding the concepts presented in this course. You are expected to read the chapters that will be discussed in class **prior** to the lecture. I present the lectures under the assumption that you have already read the assigned material. **Pop quizzes may be given from time to time to assure that the reading assignments are being completed!**

LECTURES/DISCUSSIONS:

Lectures and discussions will be offered for each chapter assigned in the “Schedule & Assignments” section of the syllabus. The lectures and discussions serve to review the subject matter briefly and to bring real-time application and experience into the class. The goal is to extend the class beyond the reading and into the current profession. **Lectures will evolve into discussions and your participation is expected!**

CPA EXAM QUESTIONS:

Throughout the semester, 100 CPA exam questions will be assigned (in groups of 10) and are listed in the “Schedule & Assignments” section of the syllabus. These multiple choice questions are compiled from actual previous CPA exams. As such, students must use whatever research means necessary (in addition to the text) to correctly answer each question. The solutions for each of the CPA exam question assignments must be completed and printed prior to the class period in which the assignment is due. **Late CPA exam question solutions and hand-written solutions will NOT be accepted!**

TEAM CASE ASSIGNMENTS:

In addition to performing the required reading and CPA exam questions, cases are an effective means of keeping you sharp, giving you real-world application skills and preparing you for the upcoming exams. There will be five cases assigned throughout the semester which must be completed in teams of two. Team assignments will take place, using random number software, just prior to the first day of class. You will be assigned a different teammate for each of the five cases. Additional instructions for each case may be provided at the time each case is assigned. All cases must be presented in a professional type-written manner; format, organization, accuracy, and completeness are all considered during the grading process. **Late case assignments and hand-written assignments will NOT be accepted!**

EXAMS:

Four exams are scheduled during this semester. All of the exams will be taken in the classroom on the scheduled date. Students will not be allowed to leave anytime during the exam period. All exams will be closed-book, closed notes and individual effort. Any form of cheating may result in a Failing grade for the course. **NO early or late exams will be allowed!**

PARTICIPATION/PROFESSIONALISM/CLASS ATTENDANCE:

This is your education. Take ownership of your investment by contributing in a positive manner in class discussions and lectures. Participation shows the instructor your concern for the subject matter and will directly affect your overall grade in this class. Disruptive or disrespectful behavior will cause students to lose all participation points. If a student does not show respect, maturity and professionalism in the classroom environment, he or she will most likely struggle in a post-academic environment. In addition, students who are tardy, inattentive or experience excessive absences will not receive full credit in this area.

GRADING:

Grading is not on a curve. Your grade will be based on the percentage of total points you earn. **There are NO grade improvement projects available in this class!**

Exams	350 Points	A	95.0 - 100%	C	73.0 - 76.9%
CPA Exam Questions	100 Points	A-	90.0 - 94.9%	C-	70.0 - 72.9%
Team Case Assignments	400 Points	B+	87.0 - 89.9%	D+	67.0 - 69.9%
Participation/Professionalism, etc.	<u>100 Points</u>	B	83.0 - 86.9%	D	63.0 - 66.9%
Total Points	950 Points	B-	80.0 - 82.9%	D-	60.0 - 62.9%
		C+	77.0 - 79.9%	F	below 60.0%

Note: All points are approximate and may change at the discretion of the instructor!

ACADEMIC INTREGRITY:

The Accounting profession is well known for a reputation of honesty, integrity, and high ethical standards. As a result, scholastic dishonesty will not be tolerated and will be prosecuted to the fullest extent. Students are expected to have read and understand the current issue of the student handbook (published by Student Services) regarding student responsibilities and rights, and the intellectual property policy, for information and procedures about what constitutes acceptable on-campus behavior (See DSC Policy Links listed below).

DISABILITY STATEMENT:

Students with medical, psychological, learning or other disabilities desiring reasonable academic adjustment, accommodations, or auxiliary aids to be successful in this class will need to contact the DISABILITY RESOURCE CENTER Coordinator (Baako Wahabu) for eligibility determination. Proper documentation of impairment is required in order to receive services or accommodations. DRC is located at the ground floor of the Financial Aid Office. Visit or call 652-7516 to schedule appointment to discuss the process. DRC Coordinator determines eligibility for and authorizes the provision of services.

Dmail NOTICE:

You are required to frequently check your dmail account. Important class and college information will be sent to your dmail account, including DSC bills, financial aid/scholarship notices, notices of cancelled classes, reminders of important dates and deadlines, and other information critical to your success at DSC and in your courses. If you do not know how to access your dmail account, go to www.dixie.edu and click on “Log in to student services”.

DSC IMPORTANT DATES:

Dates found at:

<http://www.dixie.edu/reg/calendar.html>

DSC POLICY LINKS:

Reference to “Policy for Absences Related to College Functions”:

<http://www.dixie.edu/humanres/policy/sec5/523.html>

Disruptive behavior policy / classroom expectations:

<http://www.dixie.edu/humanres/policy/sec3/334.html>

Academic dishonesty / Academic integrity policy:

<http://www.dixie.edu/humanres/policy/sec3/334.html>

RESOURCES:

Available Resources: Library, Computer Lab, Writing Center, Testing Center, and Tutoring Center statements and links (as appropriate)

Library – <http://library.dixie.edu>

Computer Labs – located in the basement of the library. The Smith Computer Center, and the Hazy Building room 200.

Writing Center – http://new.dixie.edu/english/dsc_writing_center.php

Testing Center – <http://new.dixie.edu/testing>

Tutoring Center – <http://dsc.dixie.edu/tutoring/>

SEE NEXT PAGE FOR SCHEDULE & ASSIGNMENTS

AUDITING - 41896 - ACCT 4100-01
Schedule & Assignments *
Spring 2011

Subject to change!

Hazy 134 / 8:00-9:15 MW

Last Revised: January 6, 2010

Date	Discussion Topic in Class	Reading Schedule	Assignment Schedule
<i>January</i>			
Tue. 11	Intro to Auditing 4100		
Thu. 13	Demand for Audit Services	Chapter 1	
Tue. 18	CPA Profession	Chapter 2	CPA Exam Questions 1-10
Thu. 20	Professional Ethics	Chapter 4	
Tue. 25	<i>Labor Day - No Class</i>		
Thu. 27	Independence & Rules of Conduct		CPA Exam Questions 11-20
<i>February</i>			
Tue. 1	Case Assignment 3.1		Case Assignment 3.1 (50 points)
Thu. 3	Other Assurance Services	Chapter 25	
Tue. 8	Review for Exam #1		CPA Exam Questions 21-30
Thu. 10	Exam #1/Chapters 1,2,4,25		Take-Home Portion of Exam #1
Tue. 15	Audit Objectives	Chapter 6	
Thu. 17	Audit Evidence	Chapter 7	CPA Exam Questions 31-40
Tue. 22	Materiality & Risk	Chapter 9	
Thu. 24	Materiality & Risk		CPA Exam Questions 41-50
<i>March</i>			
Tue. 1	Case Assignment 2.1		Case Assignment 2.1 requirements [1]-[b][e] [3] (50 points)
Thu. 3	Audit Program	Chapter 13	
Tue. 8	Review for Exam #2		CPA Exam Questions 51-60
Thu. 10	Exam #2/Chapters 6,7,9,13		Take-Home Portion of Exam #2
Tue. 15	Audits of Internal Control	Chapter 10	
Thu. 17	Client Acceptance & Continuance	Chapter 8	CPA Exam Questions 61-70
Tue. 22	Case Assignment 5.3		Case Assignment 5.3 (50 points)
Thu. 24	Legal Liability	Chapter 5	CPA Exam Questions 71-80
Tue. 29	Fraud Auditing	Chapter 11	
Thu. 31	Case Assignment 4.3		Case Assignment 4.3 (100 points)
<i>April</i>			
Tue. 5	Review for Exam #3		
Thu. 7	Exam #3/Chapters 10,8,5,11		Take-Home Portion of Exam #3
Tue. 12	Auditing Impact of IT	Chapter 12	
Thu. 14	<i>Thanksgiving Holiday - No Class</i>		
Tue. 19	Audit Reports	Chapter 3	CPA Exam Questions 81-90
Thu. 21	Completing the Audit	Chapter 24	
Tue. 26	Review for Exam #4		CPA Exam Questions 91-100
Thu. 28	Exam #4/Chapters 12,3,24		Case Assignment 12.4 (50 points)

* Note Schedule and Assignments are subject to change at the discretion of the instructor. The schedule may be changed if deemed necessary to better facilitate achievement of the course objectives.