



Course #: ACCT 4100-01	Instructor: Steven M. Day, CPA, MAcc
Course Title: Auditing I	Office: Room 132, Udvar-Hazy Business Bldg.
Credit Hours: 3 semester hours	Phone: 435-652-7831 / 435-668-0284 (cell)
Meeting time: MWF, 9:00 to 9:50	Email: day@dixie.edu
Location: Hazy 242	Office Hours: TR 8:00 – 8:50 TR 10:30 – 12:00
Term: Spring 2010	and by appointment

REQUIRED TEXT:

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

COURSE DESCRIPTION:

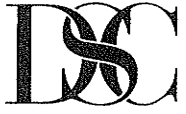
This course is designed to introduce business and accounting majors to the conceptual and technical concepts of the CPA's attest function. For those students pursuing a MAcc degree, Auditing II is a course requirement for most graduate programs.

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, 60 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!**

INDIVIDUAL CASE ASSIGNMENTS:

Once you have performed 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 individually. 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!**

TEAM CASE ASSIGNMENT:

One major case will be completed and presented in teams of two. Specific teams will be chosen at random during the first week of class. Teams will then be assigned a specific group of cases with which an individual case must be chosen prior to the first exam. Each team will be assigned a specific class period with which to formally present their case and related solution to the class. Both team members must be fully involved in both the preparation and presentation of the case. Additional instructions may be provided at the time each case is assigned. All cases must be presented to the class during the assigned class period to receive credit. In addition a professional type-written case solution will be presented to the instructor prior to the class presentation. Again, format, organization, accuracy, and completeness are all considered during the grading process. (100 points)

Each team will also be assigned to critique another team's case presentation prior to the formal presentation to the class. Additional instructions may be provided at the time each case is assigned. (40 points)

Each class member will also be responsible for thoroughly reading each case prior to each presentation, and be prepared to ask appropriate questions and complete a judging sheet during each team presentation. (60 points)

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 in this class 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	400 Points	A	93.0 - 100%	C	73.0 - 76.9%
CPA Exam Questions	60 Points	A-	90.0 - 92.9%	C-	70.0 - 72.9%
Individual Cases	110 Points	B+	87.0 - 89.9%	D+	67.0 - 69.9%
Compilation/Review Project	50 Points	B	83.0 - 86.9%	D	63.0 - 66.9%
Team Case Project	200 Points	B-	80.0 - 82.9%	D-	60.0 - 62.9%
Participation/Professionalism, etc.	<u>80 Points</u>	C+	77.0 - 79.9%	F	below 60.0%
Total Points	900 Points				

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

ACADEMIC INTEGRITY:

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.

REASONABLE ACCOMMODATION STATEMENT:

If you are a student with a medical, psychological or a learning difference and are requesting reasonable academic accommodations due to this condition, you must provide an official request of accommodation to your professor(s) from the Disability Resource Center within the first two weeks of the beginning of classes. Students are to contact the Center on campus to follow through with and receive assistance in the documentation process to determine the appropriate accommodations related to their condition. You may call 435-652-7516 for an appointment and further information regarding the Americans with Disabilities Act (ADA) of 1990 per Section 504 of the Rehabilitation Act of 1973 (located in the Student Services Center, Room #201 of the Edith Whitehead Building).

D-mail NOTICE:

Important class and college information will be sent to your D-mail email account. This information includes your DSC bill, financial aid/scholarship notices, notification of dropped classes, reminders of important dates and events, and other information critical to your success in this class and at DSC. All DSC students are automatically assigned a D-mail account. If you do not know your user name and password, go to www.dixie.edu and select "D-mail" for complete instructions. You will be held responsible for information sent to your D-mail, so please check it often.

SEE NEXT PAGE FOR SCHEDULE & ASSIGNMENTS

AUDITING 4100
Schedule & Assignments
Spring 2010

Hazy 242 / 9:00 MWF

Last Revised: January 11, 2010

Date	Discussion Topic in Class	Reading Schedule	Assignment Schedule
<i>January</i>			
Mon. 11th	Team Selection/Introduction to Auditing		
Wed. 13th	<i>Case Selection - No Formal Class</i>		
Fri. 15th	<i>Case Selection - No Formal Class</i>		
Mon. 18th	<i>Martin Luther King Jr. Day - No Class</i>		
Wed. 20th	Introduction to Auditing	Chapter 1	
Fri. 22nd	CPA Profession	Chapter 2	
Mon. 25th	CPA Profession		CPA Exam Questions 1-10
Wed. 27th	Professional Ethics	Chapter 4	
Fri. 29th	Professional Ethics		Case 4-29 (pages 111-112)
<i>February</i>			
Mon. 1st	Other Assurance Services	Chapter 25	
Wed. 3rd	Other Assurance Services		
Fri. 5th	Exam #1/Chapters 1,2,4,25		
Mon. 8th	Audit Objectives	Chapter 6	CPA Exam Questions 11-20
Wed. 10th	Audit Objectives		Case 6-31 (pages 171-172)
Fri. 12th	Audit Evidence	Chapter 7	
Mon. 15th	<i>President's Day - No Class</i>		
Wed. 17th	Audit Evidence		CPA Exam Questions 21-30
Fri. 19th	Materiality & Risk	Chapter 9	
Mon. 22nd	Materiality & Risk		Case 9-35 (pages 283-284)
Wed. 24th	Audit Program	Chapter 13	
Fri. 26th	Audit Program		
<i>March</i>			
Mon. 1st	Exam #2/Chapters 6,7,9,13		
Wed. 3rd	Audits of Internal Control	Chapter 10	
Fri. 5th	Audits of Internal Control		CPA Exam Questions 31-40
Mon. 8th	<i>Spring Break - No Class</i>		
Wed. 10th	<i>Spring Break - No Class</i>		
Fri. 12th	<i>Spring Break - No Class</i>		
Mon. 15th	Client Acceptance & Continuance	Chapter 8	
Wed. 17th	Client Acceptance & Continuance		Case 1.1/Ocean Manufacturing (Handout)
Fri. 19th	Class Presentation Team #1/Section 5	Section 5 Case	
Mon. 22nd	Legal Liability	Chapter 5	
Wed. 24th	Legal Liability		
Fri. 26th	Class Presentation Team #2/Section 2	Section 2 Case	
Mon. 29th	Fraud Auditing	Chapter 11	
Wed. 31st	Fraud Auditing		Case 11-32 (pages 367-368)
<i>April</i>			
Fri. 2nd	Exam #3/Chapters 10,8,5,11		
Mon. 5th	Class Presentation Team #3/Section 7	Section 7 Case	
Wed. 7th	Auditing Impact of IT	Chapter 12	
Fri. 9th	Class Presentation Team #4/Section 4	Section 4 Case	
Mon. 12th	Auditing Impact of IT		CPA Exam Questions 41-50
Wed. 14th	Class Presentation Team #5/Section 3	Section 3 Case	
Fri. 16th	<i>End of Tax Season Holiday - No Class</i>		
Mon. 19th	Audit Reports	Chapter 3	Compilation/Review Assignment
Wed. 21st	Completing the Audit	Chapter 24	
Fri. 23rd	Class Presentation Team #6/Section 6	Section 6 Case	
Mon. 26th	Completing the Audit		CPA Exam Questions 51-60
Wed. 28th	Class Presentation Team #7/Section 12	Section 12 Case	
Fri. 30th	Final Exam/Chapters 12,3,24		Final Exam Time 10:00 a.m.