

Course #: ACCT 4100-01	Instructor: Todd R. Hess, CPA, MAcc
Course Title: Auditing I - 41896	Office: Room 133, Udvar-Hazy Bldg.
Credit Hours: 3 semester hours	Phone: 435-879-4343
Meeting time: TR, 10:30 am to 11:45 am	Email: thess@dixie.edu
Location: Hazy 219	Office Hours: MW 2:00-3:00 pm TR 2:00-3:30 pm
Term: Fall 2013	and by appointment

REQUIRED TEXT:

Auditing and Assurance Services – 15th 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 3020 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. **(LO-1)**
- (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. **(LO-1)**
- (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. **(LO-1, LO-2, LO-3, LO-4)**
- (4) Explain the importance of ethical conduct in the accounting profession. Distinguish ethical from unethical behavior in personal and professional contexts. Describe the enforcement mechanisms. **(LO-1, LO-2, LO-3, LO-4)**
- (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. **(LO-1, LO-2)**
- (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. **(LO-1, LO-2, LO-3, LO-4)**
- (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. **(LO-1, LO-2, LO-3)**
- (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. **(LO-1, LO-2, LO-3)**
- (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. **(LO-1, LO-2, LO-3)**
- (11) Design and perform the steps in the evidence-accumulation segment of the audit, and integrate the audit evidence gathered and evaluate the overall audit results. **(LO-1, LO-2, LO-3)**
- (12) Understand the level of assurance and evidence requirements for review and compilation services. **(LO-1)**

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. **Exam questions will be taken from a test bank of questions related to the material covered in the text. Discussion Questions assignments will also be used to ensure 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!**

DISCUSSION QUESTIONS AND IN-CLASS ASSIGNMENTS:

Discussion questions and in-class assignments will be given for each chapter in order to stimulate discussion in class and to provide you with opportunities to work with others to solve complex problems and gain insight into the way things work in the auditing profession. **Teamwork on the assignments is encouraged.** These assignments will provide a way for you to receive additional instruction from each other and the instructor and will provide you opportunities to learn through teaching and guiding each other through the process of solving problems. **Points will be awarded for your completion of the assignments and contribution to the group. You will not receive points for these assignments if you are absent, so your attendance in class is critical.**

QUIZZES:

As listed in the “Schedule & Assignments” section of the syllabus, quizzes consisting of CPA exam questions will be administered throughout the semester. These multiple choice questions are compiled from actual previous CPA exams and are found at the end of each chapter. You may use whatever research means necessary (in addition to the text) to answer the Quiz questions. Quizzes will be completed at home and uploaded through Canvas. Quizzes will be graded and discussed in class as part of that day’s lecture. **The two lowest quiz scores will be dropped from your final grade.**

CASE AND GROUP PRESENTATIONS:

Cases and group presentations are an effective means of keeping you sharp, giving you real-world application skills and preparing you to be successful in your career. There will be one case assigned during the semester. The case is to be completed individually. A group video project/presentation will also be required at the end of the semester with drafts of the script/presentation due at various times prior to final submission of the video or group presentation. Group assignments will be made randomly. Additional instructions for the case and video/presentation will be provided at the time the case and video/presentation project are assigned. Only one copy of the script/presentation outline and video will need to be handed in for the group. All cases and scripts/outlines 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!** Video/Group presentation scores will consist of instructor, team, and self-evaluations.

EXAMS:

Four regular exams and a final exam are scheduled during this semester. Each regular exam will consist of two parts: 1. a multiple choice and true or false portion to be completed on a scantron; and 2. a written portion consisting of written problems and simulation questions that must be completed in Word or Excel and turned in with the scantron. You will be required to provide your own scantron during testing. **All regular exams will be open book, open notes BUT individual effort.** Any form of cheating may result in a Failing grade for the course. If you will be unable to take an exam during the scheduled time, please make arrangements to take the exam at an **earlier** date. **No Late Exams will be allowed!** Requirements for the **Final Exam** will be announced at a later date.



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.

Problems and cases may be used from time to time to enhance learning in the classroom and provide real-world experience with various audit issues. Your participation in and completion of the problems and cases will affect the number of participation points awarded.

TEAM WORK RULES:

The primary purpose of encouraging teamwork on assignments is to develop and enhance research, writing, and presentation skills, while working in a small group environment. Teams may use any research source available, including the text or any other written or web resources to complete any of the assignments. This does not mean that copying homework from any source, including other students, is allowed. **DO NOT allow another student to copy your work. Copying homework or allowing another student to copy your homework is considered cheating and may result in receiving no credit for the assignment or a Failing grade for the course!**

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	50%	A	95.0 - 100%	C	73.0 - 76.9%
Quizzes	10%	A-	90.0 - 94.9%	C-	70.0 - 72.9%
Cases and Video Presentations	20%	B+	87.0 - 89.9%	D+	67.0 - 69.9%
Chapter Discussion Questions	15%	B	83.0 - 86.9%	D	63.0 - 66.9%
Participation/Professionalism, etc.	<u>5%</u>	B-	80.0 - 82.9%	D-	60.0 - 62.9%
Total	100%	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:

If you suspect or are aware that you have a disability that may affect your success in the course you are strongly encouraged to contact the Disability Resource Center (DRC) located at the North Plaza Building. The disability will be evaluated and eligible students will receive assistance in obtaining reasonable accommodations. Phone # 435-652-7516 M.

Dmail NOTICE:

You are required to frequently check your Dmail account. Important class and university information will be sent to your Dmail account, including DSU bills, financial aid/scholarship notices, notices of cancelled classes, reminders of important dates and deadlines, and other information critical to your success at DSU and in your courses. To access your Dmail account, visit go.dixie.edu/dmail. If you do not know your Dmail username or you have forgotten your PIN, visit go.dixie.edu/mydixie and follow the respective instructions.



Udvar-Hazy School of Business
Accounting Department
225 South 700 East
St. George, UT 84770

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: Disability Resource Center, Library, Writing Center, Testing Center, and Tutoring Center statements and links (as appropriate)

Disability Resource Center - dixie.edu/drcenter

IT Student Help Desk - dixie.edu/helpdesk

Library - library.dixie.edu

Testing Center - dixie.edu/testing

Tutoring Center - dixie.edu/tutoring

Writing Center - dixie.edu/english/dsc_writing_center.php



Mission

The mission of the Udvar-Hazy School of Business is to prepare students for successful employment, advanced learning and service to community. We are committed to providing an environment that embraces experiential learning, stimulates academic excellence and incorporates ethical considerations.

Goals

1. Provide students with accounting and core business knowledge and skills that enable attainment of advanced accounting degrees and success in a rapidly changing, competitive professional environment. (Core Theme One – A Culture of Learning)
2. Develop students' awareness of and analytical and decision-making skills regarding business ethical issues. (Core Theme Two – A Culture of Values)
3. Establish partnerships with the community and alumni to provide an education that responds to local and industry needs and affords valuable, applied learning opportunities and community engagement. (Core Theme Three – A Culture of Community)
4. Employ highly qualified faculty members who foster open, innovative, analytical, and student-focused learning environments. Support academically and professionally active faculty who model continuous improvement in their practice and service. (Core Theme One – A Culture of Learning)

Accounting Department - Student Learning Outcomes

Accounting professionals are looked upon as trusted business advisors and must develop and maintain high standards of professionalism, ethics, and technical competency. Irrespective of the interest area in which the individual works, be it accounting and bookkeeping, auditing, tax, or consultation, accountants are expected to be able to: **identify** relevant issues; **gather** information related to those issues; **compile and synthesize** that information into a format useful for its intended users; and **communicate or report** the results in an effective and reliable manner. Therefore, it is important that we as educators instill those competencies into our students. Upon completion of an accounting degree at Dixie State University, students will demonstrate the ability to:

1. **Identify:** identify accounting, tax, auditing and ethical issues in structured and unstructured fact-based situations.
2. **Gather:** perform research using the professional body of knowledge in the accounting discipline.
3. **Compile/Synthesize:** use a range of techniques to perform analysis, synthesize information and draw conclusions.
4. **Communicate/Report:** communicate effectively in quantitative and qualitative terms through writing and speaking.

Auditing - 41896 - ACCT 4100-01

Schedule & Assignments *

Fall 2012

Subject to change!

Hazy 219 / 10:30-11:45 T,R

Last Revised: August 16, 2012

Date	Discussion Topic in Class	Reading Schedule	Quizzes	Assignment Schedule
August				
Tues. 20	Intro to Auditing 4100			
Thurs. 22	What is Auditing?	Chapter 1		Chapter 1 Discussion Questions
Tues. 27	The CPA Profession	Chapters 1 & 2	Quiz 1	
Thurs. 29	Auditing Standards	Chapter 2	Quiz 2	Chapter 2 Discussion Questions
September				
Tues. 3	Professional Ethics	Chapter 4		Chapter 4 Discussion Questions
Thurs. 5	Independence, Rules of Conduct	Chapter 4	Quiz 3	Individual Case 3.1 Due
Tues. 10	Audit Responsibilities	Chapter 6		Chapter 6 Discussion Questions
Thurs. 12	Management Assertions & Audit Objectives	Chapter 6		Exam #1 - Chapters 1, 2, & 4 Due
Tues. 17	Management Assertions & Audit Objectives	Chapter 6	Quiz 4	
Thurs. 19	Audit Evidence & Documentation	Chapter 7		Chapter 7 Discussion Questions
Tues. 24	Audit Evidence & Documentation	Chapter 7		
Thurs. 26	Audit Evidence & Documentation	Chapter 7	Quiz 5	
October				
Tues. 1	Analytical Procedures	Chapter 8		Chapter 8 Discussion Questions
Thurs. 3	Analytical Procedures	Chapter 8		Group Presentation Outline Due
Tues. 8	Audit Planning	Chapter 8	Quiz 6	Exam #2 - Chapters 6, 7, & 8 Due
Thurs. 10	Semester Break			
Tues. 15	Materiality	Chapter 9		Chapter 9 Discussion Questions
Thurs. 17	Risk & Risk Assessments	Chapter 9	Quiz 7	
Tues. 22	Internal Control	Chapter 10		Chapter 10 Discussion Questions
Thurs. 24	Control Risk	Chapter 10	Quiz 8	
Tues. 29	Audit Plan and Audit Program	Chapter 13		Chapter 13 Discussion Questions
Thurs. 31	Completing the Audit	Chapter 24	Quiz 9	Chapter 24 Discussion Questions
November				
Tues. 5	Audit Reports	Chapter 3		Exam #3 - Chapters 8, 9, 10, & 13 Due
Thurs. 7	Audit Reports	Chapter 3	Quiz 10	Chapter 3 Discussion Questions
Tues. 12	Career Day - No Class - Work on Group Presentations			
Thurs. 14	Group Project Feedback			Group Presentation Final Draft Due
Tues. 19	Fraud Auditing	Chapter 11		Chapter 11 Discussion Questions
Thurs. 21	Fraud Auditing	Chapter 11	Quiz 11	
Tues. 26	Other Assurance Services	Chapter 25	Quiz 12	Chapter 25 Discussion Questions
Thurs. 28	Thanksgiving Break			
December				
Tues. 3	Group Presentations			Exam #4 - Chapters 24, 3, 11, & 25 Due
Thurs. 5	Group Presentations			
Tues. 10	Final Exam - 9:30 am to 11:30 am			

* 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.

Important Dates to Remember

Aug 19	Class work Starts	Oct 9	Mid-term Grades Posted
Aug 23	Last Day to Add Without Signature	Oct 10-11	Semester Break
Aug 28	Drop/Audit Fee Begins (\$10 per class)	Oct 14	Last Day to Drop Individual Class
Sep 2	Labor Day	Nov 8	Last Day for Complete Withdrawal
Sep 3	\$50 Late Registration/Payment Fee	Nov 12	Career Day (no classes before 4:00 p.m.)
Sep 9	Last Day for Refund	Nov 27-29	Thanksgiving Break
Sep 9	Last Day to drop without receiving a "W" grade	Dec 6	Classwork Ends
Sep 10	Courses dropped for non-payment	Dec 9-13	Final Exams
Sep 13	Last Day to Add/Audit	Dec 17	Final Grades Posted