

Course #: ACCT 4100-01	Instructor: Todd R. Hess, CPA, MAcc
Course Title: Auditing I - 23641	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: <a href="mailto:thess@dixie.edu">thess@dixie.edu</a>
Location: Hazy 219	Office Hours: MWTRF 12:00-1:00
Term: Spring 2013	and by appointment

**REQUIRED TEXT:**

Auditing and Assurance Services – 14<sup>th</sup> 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.
- (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 in 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) 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.
- (12) 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. **Exam questions will be taken from a test bank of questions related to the material covered in the text. Chapter quizzes may 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!**

### **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. The questions for each quiz will be given to you at least one class session in advance of the quiz. As such, students may use whatever research means necessary (in addition to the text) to study for each quiz. Quizzes will be completed 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 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 one case assigned during the semester. The case is to be completed individually. A group video project will also be required near the end of the semester with drafts of the script due at various times prior to final submission of the video. Group assignments will be made randomly. Additional instructions for the case and video will be provided at the time the case and video project are assigned. Only one copy of the script and video will need to be handed in for the group. All cases and scripts 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!** Case 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.

**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	35%	B+	87.0 - 89.9%	D+	67.0 - 69.9%
Participation/Professionalism, etc.	5%	B	83.0 - 86.9%	D	63.0 - 66.9%
Total	100%	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:**

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 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 your Dmail username or you have forgotten your PIN, visit [go.dixie.edu/mydixie](http://go.dixie.edu/mydixie) and follow the respective instructions.

**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](http://dixie.edu/drcenter)

IT Student Help Desk - [dixie.edu/helpdesk](http://dixie.edu/helpdesk)

Library - [library.dixie.edu](http://library.dixie.edu)

Testing Center - [dixie.edu/testing](http://dixie.edu/testing)

Tutoring Center - [dixie.edu/tutoring](http://dixie.edu/tutoring)

Writing Center - [dixie.edu/english/dsc\\_writing\\_center.php](http://dixie.edu/english/dsc_writing_center.php)

<b>Auditing - 23641 - ACCT 4100-01</b>				
<b>Schedule &amp; Assignments *</b>				
<b>Spring 2012</b>				
<b>Hazy 219 / 10:30-11:45 T,R</b>				<b>Subject to change!</b>
<i>Last Revised: January 7, 2013</i>				
<b>Date</b>	<b>Discussion Topic in Class</b>	<b>Reading Schedule</b>	<b>Quizzes</b>	<b>Assignment Schedule</b>
<b>January</b>				
Tues. 8	Intro to Auditing 4100			
Thurs. 10	Nature of Auditing	Chapter 1		
Tues. 15	CPA Profession	Chapter 2	Quiz 1	
Thurs. 17	Audit Standards	Chapter 2		
Tues. 22	Professional Ethics	Chapter 4	Quiz 2	
Thurs. 24	Independence, Rules of Conduct	Chapter 4		
Tues. 29	Legal Liability	Chapter 5	Quiz 3	Individual Case Assignment 3.1 Due
Thurs. 31	Audit Reports	Chapter 3		
<b>February</b>				
Tues. 5	Audit Reports	Chapter 3	Quiz 4	Exam #1 - Chapters 1, 2, 4 & 5 - Due
Thurs. 7	Audit Responsibilities	Chapter 6		
Tues. 12	Management Assertions & Audit Objectives	Chapter 6	Quiz 5	
Thurs. 14	Management Assertions & Audit Objectives	Chapter 6		
Tues. 19	Audit Evidence & Documentation	Chapter 7	Quiz 6	
Thurs. 21	Audit Evidence & Documentation	Chapter 7		
Tues. 26	Audit Evidence & Documentation	Chapter 7		Script (First Draft) Due
Thurs. 28	Audit Planning	Chapter 8	Quiz 7	
<b>March</b>				
Tues. 5	Analytical Procedures	Chapter 8		Exam #2 - Chapters 3, 6 & 7 - Due
Thurs. 7	Analytical Procedures	Chapter 8		
Tues. 12	<b>Spring Break</b>			
Thurs. 14	<b>Spring Break</b>			
Tues. 19	Materiality	Chapter 9	Quiz 8	
Thurs. 21	Risk & Risk Assessments	Chapter 9		
Tues. 26	Internal Control & Control Risk	Chapter 10	Quiz 9	
Thurs. 28	Reporting on Internal Control	Chapter 10		Script (Final Draft) Due
<b>April</b>				
Tues. 2	Fraud Auditing	Chapter 11	Quiz 10	Exam #3 - Chapters 8, 9 & 10 - Due
Thurs. 4	Fraud Auditing	Chapter 11		
Tues. 9	Audit Plan and Audit Program	Chapter 13		
Thurs. 11	Completing the Audit	Chapter 24	Quiz 11	
Tues. 16	Other Assurance Services	Chapter 25	Quiz 12	
Thurs. 18	Group Video Presentations			Videos Due
Tues. 23	Group Video Presentations			Exam #4 - Chapters 11, 13, 24 & 25 - Due
<b>May</b>				
Thurs. 2	<b>Final Exam - 9:30 am to 11:30 am - In Class</b>			

\* 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

1-Nov Bachelor's degree Graduation Deadline - Spring 2013  
 12-Nov Registration open to Seniors (90+ credits)  
 13-Nov Registration open to Juniors (60+ credits)  
 14-Nov Registration open to Sophomores (30+ credits)  
 15-Nov Open Registration  
 2-Jan Spring 2013 Late application penalty begins  
 7-Jan Classwork Starts  
 10-Jan Last Day to Waitlist  
 11-Jan Last Day to Add Without Signature  
 14-Jan Drop/Audit Fee Begins (\$10 per class)  
 16-Jan Residency Application Deadline  
 21-Jan Martin Luther King Jr. Day  
 22-Jan \$50 Late Registration/Payment Fee  
 29-Jan Pell Grant Census  
 29-Jan Last Day for Refund  
 29-Jan Last Day to drop without receiving a "W" grade  
 30-Jan Courses dropped for non-payment  
 1-Feb Last Day to Add/Audit  
 1-Feb Associate's degree Graduation Deadline - Spring 2013  
 18-Feb President's Day  
 25-Feb Mid-Term Grades Due

1-Mar Last Day to Drop Individual Class  
 1-Mar Bachelor's degree Graduation Deadline - Summer 2013  
 Mar 11-15 Spring Break  
 18-Mar Fall 2013 Class schedule available online  
 18-Mar Summer Registration open to Seniors (90+ credits)  
 19-Mar Summer Registration open to Juniors (60+ credits)  
 20-Mar Summer Registration open to Sophomores (30+ credits)  
 21-Mar Summer Registration open to all students  
 29-Mar Last Day for Complete Withdrawal  
 1-Apr Bachelor's degree Graduation Deadline - Fall 2013  
 8-Apr Fall Registration open to Seniors (90+ credits)  
 9-Apr Fall Registration open to Juniors (60+ credits)  
 10-Apr Fall Registration open to Sophomores (30+ credits)  
 11-Apr Fall Registration open to all students  
 24-Apr Classwork Ends  
 25-Apr Reading Day  
 26-Apr Final Exams  
 Apr 29-30, May 1 Final Exams  
 1-May Associate's degree Graduation Deadline - Summer 2013  
 2-May Final Exams  
 3-May Commencement