



Dillard College of Business Administration

Syllabus: Auditing

ACCT 4063.101

Tuesday and Thursday 8:00 a m – 9:20 a m Dillard Building 338

Fall Semester 2020

Contact Information

Instructor: Terry Patton, Ph.D.

Office: DB 287A

Office hours: Tuesday from 11:00 to 11:30 a.m. and 2:00 to 3:00 p.m.; Wednesday from 9:30 to 11:30 a.m. and 2:00 to 3:00 p.m.; and Thursday 11:00 to 11:30 p.m., and by appointment

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Course Materials

William F. Messier, Jr., Steven M. Glover, and Douglas F. Prawitt, *Auditing and Assurance Services: A Systematic Approach, 11 ed.*, McGraw-Hill Irwin, (Required)

Technology Requirement

A PC/laptop/tablet with webcam capability. (Chromebooks will not work due to insufficient computing power.)

You must have access to the Internet.

Course D2L:

You will find the following at the site:

- Syllabus
- PowerPoint Slides
- Course announcements and other, if needed
- Grades
- Zoom

Course Description

A survey of the theory, practice and procedure of financial auditing; internal accounting controls; auditing standards and principles; working papers; and reports.

Course Prerequisite(s)

ACCT 3043 (Intermediate Accounting II) or concurrent enrollment.

Learning Goals

I. General Learning Goals:

- **Problem solving and decision-making abilities through critical analysis, evaluation, and interpretation of auditing problems.** During class, students will be instructed on the problem solving and critical thinking skills needed by an auditor. Also, exams that demonstrate the use of these abilities will be graded.

General learning goals are among those established by the Dillard College of Business Administration. General learning goals represent the skills that graduates will carry with them into their careers. While assessing student performance in obtaining these general learning goals, the Dillard College is assessing its programs. The assessments assist us as we improve our curriculum and curriculum delivery.

II. Course Specific Learning Goals:

Successful auditors must have a good *knowledge* of generally accepted accounting principles, the audit process, and auditing standards. Your previous accounting courses should have provided you with a good knowledge of generally accepted accounting principles. Yet, knowledge alone is not sufficient to become a successful auditor. An auditor must be able to exercise professional judgment. My goals for this course are to develop an environment that will maximize your understanding of the audit process and the rules of auditing and to begin to develop your ability to exercise professional judgment.

Auditing, unlike most other accounting courses, does not rely heavily on number crunching. Yet, auditing tends to be a very difficult class for students who do not have practical auditing experience so we will discuss real-life examples.

At the end of the semester, you should:

- Understand and be able to use auditing terminology;
- Have a comprehensive knowledge of the types of audit reports that exist and when they should be used;
- Have a basic understanding of audits of internal control;
- Understand the steps in the audit process from planning the audit to assessing internal control to developing and completing an audit program;
- Understand basic auditing concepts including audit sampling and the accumulation of audit evidence;
- Understand how to collect, document, and interpret audit evidence; and
- Understand the steps and documentation necessary to complete an audit engagement.

Course Policies

Attendance Policy:

Regular attendance is expected. Class roll will be taken. So as not to disturb the class, you are not to walk in and out of the classroom during the class hour except for an emergency.

Other Related Policies

Missed Examination Policy:

You must take each and every exam at the date and time announced in class. Failure to do that will result in zero (0) credit for that exam. This includes the final exam. Any deviation from this policy because of illness or emergency should be approved in advance and properly documented. Additionally, if a student misses an exam without prior approval and circumstances are justified, instead of a grade of zero (0), I reserve the right to add the value of the exam to the comprehensive final exam and not give a make-up exam. If a makeup exam is given, it may not be the same exam as the one given at the regularly scheduled examination period and will not be graded on a curve. Missing a makeup examination will result in zero (0) credit for the exam.

Incomplete Grade Policy:

A grade of "incomplete" is given **only** in the case of emergencies, and **complete** documentation for the situation is required. The grade of "incomplete" is not given so that students who are doing poorly may get a second chance at the course. The **rare** case of an incomplete will be handled with a comprehensive make-up examination different than the final given to the class, and will be graded on a different scale. This comprehensive make-up exam must be completed within 30 days of the beginning of the next semester.

Extra Credit Policy:

There are *no opportunities* for extra credit in this class, so please do your best on all exams.

Use of Electronic Devices:

You may not electronically or manually record any information or class discussion without written permission of the professor or at all when a graded test is being taken or reviewed. Use of cell phones is prohibited with one exception. You may receive text messages in class except when tests are being given or reviewed. If you need to send a text or make a cell phone call, you may leave the class to do the same. You are also expected not to return to the class for the remainder of the period. I reserve the right to lower a student's final grade by two letter grades for violation of this policy (e.g., A to C).

Concealed Handgun Policy:

Senate Bill 11 passed by the 84th Texas Legislature allows licensed handgun holders to carry concealed handguns on campus, effective August 1, 2016. Areas excluded from concealed carry are appropriately marked, in accordance with state law. For more information regarding campus carry, please refer to the University's webpage at [Campus Carry Rules](#).

COVID 19

Students must wear facemasks while in the Dillard Building at all times, except when making a class presentation with at least 10' separation from others. We'll maintain at least 6' social distancing at all times in the classroom. If you have concerns about being in a classroom, speak with me to make appropriate arrangements ASAP. If you are feeling ill (no matter how minor), please do not attend the physical classroom session and instead attend class via the Zoom live stream. I plan to live stream every class session, so while you should notify me, if feasible, about any absence in advance as a professional courtesy, the live stream should be available even without advance coordination.

Class Organization

Class will be conducted in a business-like fashion. You should arrive on time and not leave the class early unless you have been granted permission by the professor prior to class. No food or drinks are allowed in the classroom.

Classes will include a combination of lectures, problem solving, and class discussions. You are expected to attend class, to have read the assigned materials and be ready to discuss the assigned homework. I also expect you to be active learners in this class. I will ask questions and will randomly call on students to answer them.

PowerPoint slide handouts will be prepared for each chapter. Students are responsible for printing out these handouts and bringing them to class each day. Failure to bring these note-taking handouts will seriously affect your in-class learning as you won't have the information to work the problems we do in class together.

I may occasionally send emails to the entire class. These may include help or suggestions on problems. You may also send me particularly good questions or observations that I will forward to all class members. Therefore, you should check your email regularly.

Professionalism:

The faculty, staff, and students of the Dillard College of Business Administration are committed to being a "professional" in our words, conduct, and actions. The qualities of a professional include:

- A commitment to the development of specialized knowledge
- Competency in analytical, oral and written communication skills
- Self-discipline
- Reliability
- Honesty and integrity
- Trustworthiness
- Timeliness
- Accountability for words and actions
- Respect for others and other cultures
- Politeness and good manners
- A professional image (professionals look professional)
- An awareness of their environment and adaptability to different settings
- Confidence without arrogance
- A commitment to giving back to your community

Grading Policies:

The following exams and assignments provide a student the opportunity to earn the following number of points:

Points allocated to each assignment

Element	Points
Exam 1	100
Exam 2	100
Exam 3	100
Comprehensive Final Exam	100
Total Points	400

Your score in this class will be based on the points you earn out of the maximum 480 points. Minimum letter grades for this course will be assigned according to the table below:

Grade	Points
A	360 or greater
B	320 to 359
C	280 to 319
D	240 to 279
F	Less than 240

Midterm Grades

In order to help students keep track of their progress toward course objectives, the professor for this class will provide a Midterm Progress Report for students earning less than a C through each student's WebWorld account. Midterm grades will not be reported on the students' transcript; nor will they be calculated in the cumulative GPA. They simply give students an idea of where they stand at the midpoint of the semester. Students earning below a C at the midway point should meet with their professor.

Exams

Each chapter has a set of "Multiple Choice Questions." You should review all of the multiple choice questions assigned from each chapter because some of these questions may appear on the examinations. The exams likely will include both objective and subjective questions and problems.

Final Exam

The final exam is **comprehensive**. Please note the time for the final exam.

Academic Integrity:

With regard to academic honesty, students are referred to the "Student Honor Creed" in the undergraduate catalog. Academic dishonesty (cheating, collusion, and plagiarism) is taken seriously and will be investigated. **Please understand that integrity is very important to me. Cutting and pasting text from the internet without citing the source and setting off the "pasted text" in a form that identifies it appropriately constitutes plagiarism.** My rule of thumb is that if you are using three or more words in a row from a source, it needs to be identified as a direct quote and cited.

Americans with Disabilities Act:

If a student has an established disability as defined by the Americans with Disabilities Act and would like to request accommodation, that student should please contact me as soon as possible. Any student requesting accommodations should first contact Disability Support Services at 940-397-4140 in room 168 Clark Student Center to document and coordinate reasonable accommodations if you have not already done so.

Syllabus Change Policy:

This syllabus is a general outline of material covered, learning goals, grading procedures and student performance requirements. Material covered, dates of tests, and percent of total grade may vary as necessitated by the pace material is covered and any unforeseen class interruptions such as weather cancelations, guest lectures, or instructor illness.

This syllabus is a guide for the course and is subject to change.

Tentative Course Content and Outline

Date	Topic	Readings	Homework
Aug 25 T	<i>Class Introduction</i>		
Aug 27 R	<i>Enron: An Audit to Remember (NO CLASS)</i>	Chapter 1	
Sept 1 T	An Introduction to Assurance and Financial Statement Auditing		1-13 through 1-23
Sept 3 R	The Financial Statement Auditing Environment	Chapter 2	2-15 through 2-23 Be ready to discuss 1-24 and 1-26
Sept 8 T	Audit Planning, Types of Audit Tests, and Materiality		Be ready to discuss 2-24 and 2-25 Will work 2-26 and 2-27 in class
Sept 10 R	Audit Planning, Types of Audit Tests, and Materiality	Chapter 3	3-16 through 3-25
Sept 15 T	Risk Assessment	Chapter 4	Be ready to discuss 3-26, 3-28, and 3-31
Sept 17 R	Risk Assessment		4-13 through 4-22
Sept 22 T	<i>Review for Exam</i> Evidence and Documentation		Be ready to discuss 4-25, 4-27, 4-28, and 4-31
Sept 24 R	Exam #1—Chapters 1, 2, 3, and 4		
Sept 29 T	Evidence and Documentation	Chapter 5	5-17 through 5-29 Be ready to discuss
Oct 1 R	Internal Control in a Financial Statement Audit		5-32, 5-33, 5-34, 5-35, 5-36 and 5-38
Oct 6 T	Auditing the Revenue Process	Chapter 6 (skip advanced modules on pages 201-207)	6-12 through 6-22
Oct 8 R	Auditing the Revenue Process		Be ready to discuss 6-25, 6-27 and 6-31 10-12 through 10-23
Oct 13 T	Auditing the Revenue Process	Chapter 10	Be ready to discuss 10-26, 10-27, 10-28, 10-30, 10-32
Oct 15 R	Auditing Internal Control over Financial Reporting <i>Review for Exam</i>	Chapter 7 (skip advance modules on pages 243-249)	7-19 through 7-31 Be ready to discuss 7-36, 7-38, 7-40, and 7-41
Oct 20 T	<i>Class does not meet</i>		Prepare for Exam

Date	Topic	Readings	Homework
Oct 22 R	Exam #2—Chapters 5, 6, 7, and 10		
Oct 27 T	Audit Sampling: An Overview and Application to Tests of Controls		
Oct 29 R	Auditing the Inventory Management Process	Chapter 8 (skip advance modules on pages 285-286)	8-11 through 8-20 Be ready to discuss 8-21, 8-22, 8-23, 8-25, 8-26, and 8-30
Nov 3 T	Auditing the Financing/Investment Process: Cash and Investments	Chapter 13	13-14 through 13-26
Nov 5 R	Auditing the Financing/Investment Process: Cash and Investments		Be ready to discuss 13-29, 13-32, and 13-33 16-12 through 16-23
Nov 10 T	Auditing the Financing/Investment Process: Cash and Investments	Chapter 16	Be ready to discuss 16-26, 16-27, and 16-29
Nov 12 R	Completing the Engagement		
Nov 17 T	Completing the Audit Engagement		17-13 through 17-21 Be ready to discuss 17-22, 17-24, 17-25, and 17-30
Nov 19 R	Reports on Audited Financial Statements <i>Review for Exam</i>	Chapter 17	
Nov 24 T	Exam #3—Chapters 8, 13, and 16		
Nov 26 R	<i>Happy Thanksgiving</i>		
Dec 1 T	Reports on Audited Financial Statements	Chapter 18	18-10 through 18-21
Dec 3 R	Reports on Audited Financial Statements <i>Review for Exam</i>		Be ready to discuss 18-22 and 18-23
Dec 10 R	Comprehensive Final Exam Will be given from 8:00 until 10:00 a.m.		