**ACCT 5318: Studies in Auditing**

**Fall 2016**

**Instructor:** Dr. Donald K. McConnell Jr.

**Office Number:** COBA 420

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**Faculty Profile:** https://mentis.uta.edu/public/#profile/profile/edit/id/489/category/1

**Office Hours:** TTh 2:00-4:00 pm, and Th 8:00 pm-? or by appointment. [It is advisable to let me know beforehand when you want to come by for office hours in case a presently unscheduled meeting arises during the semester.]

**Section Information:** Acct 5318.001

**Time and Place of Class Meetings:** Meets in COBA 336, Tuesday 7:00pm-9:50pm.

**Description of Course Content:** The course provides an introduction to auditing and the profession of accounting. Emphasis is placed upon generally accepted auditing standards and professional responsibilities, the auditor's decision making process in obtaining and evaluating sufficient competent evidential matter, and assurance reporting responsibilities.

**Student Learning Outcomes:** This course is a continuation of Accounting 5316 (or 4318). There are three major objectives in this course. The first of these is to prepare you to perform competently as an entry-level Auditor in public or private accounting. For those not entering the Auditing profession, this objective may be stated in terms of familiarizing you with the auditing function. The second objective is to develop audit judgment through analysis of actual cases involving contemporary auditing issues. The third objective is to prepare you for the uniform CPA exam.

Course coverage includes the acquisition and payment cycle, inventory cycle, ethics, legal liability, procedures to complete the Audit, an in-depth analysis of audit reports, special reports and reports on other assurance and non-assurance services, compliance with Sarbanes-Oxley section 404 (AS 5), and fraud and forensic auditing.

**Required Textbooks and Other Course Materials: REQUIRED:**

Auditing and Asssurance Services: An Integrated Approach, 15th ed., Arens, Elder, and Beasley (14th ed. is too out of date).

*2015 or 2016 AICPA Professional Standards, vols. 1 - 2.*  I will cover in class what I consider to be the key paragraphs from the professional standards relating to the assigned chapters. I do not expect that anyone would have time to read all the assigned Au sections corresponding to the chapters in the course. However, CPA exam candidates need to be reasonably familiar with the layout of the professional standards (how to find things fast) for the CPA exam auditing simulations questions and should read at least a few of the Au sections corresponding to the assigned chapters in entirety to get a better feel for the structure of the professional standards. (You don’t want to be familiarizing yourself with these things while you’re taking the CPA exam!) Au sections often have interpretations which always follow the Au sections and are coded to those sections with a leading 9. As an example, Au 9265 follows Au 265 and contains staff interpretations of questions practitioners have repetitively posed pertaining to Au 265.

The Auditing standards contained in the book above can also be accessed at no cost at: <http://www.aicpa.org/research/standards/auditattest/pages/clarifiedsas.aspx> Statements on Auditing Standards; however, we will often reference the auditing standards in class, so you will need to be able to access them readily whether having printed them out or by internet access. The 2015 AICPA Professional Standards book can be purchased on-line at a small fraction of the cost of the current standards. Typically, the following year standards are not much different. If you buy the prior year’s standards books, you may have to obtain an audit section or two from the AICPA web site as per the next paragraph of this syllabus

The compilation and review standards (contained in vol. II of Professional Standards set; re: Ch 25) can be accessed at: <http://www.aicpa.org/RESEARCH/STANDARDS/COMPILATIONREVIEW/Pages/compilation%20and%20review%20standards.aspx>

Contemporary Auditing: Issues and Cases, 10th ed., Knapp

All items under "Articles and Other" are contained in a course packet at Bird's Copies (208 S. East St.). Bird’s will mail the course packet to you, if you wish. Call 817-459-1688, or e-mail via web site: [www.birdscopies.com](http://www.birdscopies.com). Any newly released SASs are at the end of the packet.

A packet of Scantron sheets, Form 882E (preferable) or Form 882

**Descriptions of major assignments and examinations:** There are 2 exams and a final examination in this course. There is also an extra credit book report which the student can do optionally.

**Attendance:** A considerable portion of what you need to learn from an auditing course can only be conveyed through my lectures. Much of this material is not "in the book," and is not amenable to testing on exams; however, it is important because I want to provide you with practical insights into the practice of public accounting. Consequently, attendance is important. **For each two full weeks of unexcused class absences (4 absences) a student’s grade will be reduced by one letter grade.** [Proof must be provided for excused absences.]

**Grading**:

Examinations (2), approximately 33% essay 320 pts.

Comprehensive Final Examination 180 pts.

500

**Make-up Exams**: There will be no make-up examinations. The final examination will carry a weight of 340 points in the event that you have missed a regular examination; the final examination is required for course credit. Trends in examination scores will be considered in course grade. An “A” grade will not be awarded unless all regular examinations are taken or where the final is being used as a make-up exam for a regular exam missed due to an excused absence. Grades of “X” (incomplete) will not be granted except in the most extenuating of circumstances.

**Expectations for Out-of-Class Study**: A general rule of thumb is this: for every credit hour earned, a student should spend 3 hours per week working outside of class. Hence, a 3-credit course might have a minimum expectation of 9 hours of reading, study, etc.

**Drop Policy:** Students may drop or swap (adding and dropping a class concurrently) classes through self-service in MyMav from the beginning of the registration period through the late registration period. After the late registration period, students must see their academic advisor to drop a class or withdraw. Undeclared students must see an advisor in the University Advising Center. Drops can continue through a point two-thirds of the way through the term or session. It is the student's responsibility to officially withdraw if they do not plan to attend after registering. **Students will not be automatically dropped for non-attendance**. Repayment of certain types of financial aid administered through the University may be required as the result of dropping classes or withdrawing. For more information, contact the Office of Financial Aid and Scholarships (<http://wweb.uta.edu/aao/fao/>).

**Disability Accommodations:** UTArlington is on record as being committed to both the spirit and letter of all federal equal opportunity legislation, including *The Americans with Disabilities Act (ADA), The Americans with Disabilities Amendments Act (ADAAA),* and *Section 504 of the Rehabilitation Act.* All instructors at UT Arlington are required by law to provide “reasonable accommodations” to students with disabilities, so as not to discriminate on the basis of disability. Students are responsible for providing the instructor with official notification in the form of **a letter certified** by the Office for Students with Disabilities (OSD).Only those students who have officially documented a need for an accommodation will have their request honored. Students experiencing a range of conditions (Physical, Learning, Chronic Health, Mental Health, and Sensory) that may cause diminished academic performance or other barriers to learning may seek services and/or accommodations by contacting:

**The Office for Students with Disabilities, (OSD)** [www.uta.edu/disability](http://www.uta.edu/disability) or calling 817-272-3364. Information regarding diagnostic criteria and policies for obtaining disability-based academic accommodations can be found at [www.uta.edu/disability](http://www.uta.edu/disability).

Counseling and Psychological Services, (CAPS) [www.uta.edu/caps/](http://www.uta.edu/caps/) or calling 817-272-3671 is also available to all students to help increase their understanding of personal issues, address mental and behavioral health problems and make positive changes in their lives.

**Non-Discrimination Policy:** *The University of Texas at Arlington does not discriminate on the basis of race, color, national origin, religion, age, gender, sexual orientation, disabilities, genetic information, and/or veteran status in its educational programs or activities it operates. For more information, visit*[*uta.edu/eos*](http://www.uta.edu/hr/eos/index.php)*.*

**Title IX Policy:** The University of Texas at Arlington (“University”) is committed to maintaining a learning and working environment that is free from discrimination based on sex in accordance with Title IX of the Higher Education Amendments of 1972 (Title IX), which prohibits discrimination on the basis of sex in educational programs or activities; Title VII of the Civil Rights Act of 1964 (Title VII), which prohibits sex discrimination in employment; and the Campus Sexual Violence Elimination Act (SaVE Act). Sexual misconduct is a form of sex discrimination and will not be tolerated.*For information regarding Title IX, visit* [www.uta.edu/titleIX](http://www.uta.edu/titleIX) or contact Ms. Jean Hood, Vice President and Title IX Coordinator at (817) 272-7091 or <jmhood@uta.edu>.

**Academic Integrity:** Students enrolled all UT Arlington courses are expected to adhere to the UT Arlington Honor Code:

*I pledge, on my honor, to uphold UT Arlington’s tradition of academic integrity, a tradition that values hard work and honest effort in the pursuit of academic excellence.*

*I promise that I will submit only work that I personally create or contribute to group collaborations, and I will appropriately reference any work from other sources. I will follow the highest standards of integrity and uphold the spirit of the Honor Code.*

UT Arlington faculty members may employ the Honor Code in their courses by having students acknowledge the honor code as part of an examination or requiring students to incorporate the honor code into any work submitted. Per UT System *Regents’ Rule* 50101, §2.2, suspected violations of university’s standards for academic integrity (including the Honor Code) will be referred to the Office of Student Conduct. Violators will be disciplined in accordance with University policy, which may result in the student’s suspension or expulsion from the University. Additional information is available at <https://www.uta.edu/conduct/>.

**Electronic Communication:** UT Arlington has adopted MavMail as its official means to communicate with students about important deadlines and events, as well as to transact university-related business regarding financial aid, tuition, grades, graduation, etc. All students are assigned a MavMail account and are responsible for checking the inbox regularly. There is no additional charge to students for using this account, which remains active even after graduation. Information about activating and using MavMail is available at <http://www.uta.edu/oit/cs/email/mavmail.php>.

**Campus Carry:** Effective August 1, 2016, the Campus Carry law (Senate Bill 11) allows those licensed individuals to carry a concealed handgun in buildings on public university campuses, except in locations the University establishes as prohibited. Under the new law, openly carrying handguns is not allowed on college campuses. For more information, visit <http://www.uta.edu/news/info/campus-carry/>

**Student Feedback Survey:** At the end of each term, students enrolled in face-to-face and online classes categorized as “lecture,” “seminar,” or “laboratory” are directed to complete an online Student Feedback Survey (SFS). Instructions on how to access the SFS for this course will be sent directly to each student through MavMail approximately 10 days before the end of the term. Each student’s feedback via the SFS database is aggregated with that of other students enrolled in the course. Students’ anonymity will be protected to the extent that the law allows. UT Arlington’s effort to solicit, gather, tabulate, and publish student feedback is required by state law and aggregate results are posted online. Data from SFS is also used for faculty and program evaluations. For more information, visit <http://www.uta.edu/sfs>.

**Final Review Week:** for semester-long courses**,** a period of five class days prior to the first day of final examinations in the long sessions shall be designated as Final Review Week. The purpose of this week is to allow students sufficient time to prepare for final examinations. During this week, there shall be no scheduled activities such as required field trips or performances; and no instructor shall assign any themes, research problems or exercises of similar scope that have a completion date during or following this week *unless specified in the class syllabus*. During Final Review Week, an instructor shall not give any examinations constituting 10% or more of the final grade, except makeup tests and laboratory examinations. In addition, no instructor shall give any portion of the final examination during Final Review Week. During this week, classes are held as scheduled. In addition, instructors are not required to limit content to topics that have been previously covered; they may introduce new concepts as appropriate.

**Emergency Exit Procedures:** Should we experience an emergency event that requires us to vacate the building, students should exit the room and move toward the nearest exit. When exiting the building during an emergency, one should never take an elevator but should use the stairwells. Faculty members and instructional staff will assist students in selecting the safest route for evacuation and will make arrangements to assist individuals with disabilities.

Students are encouraged to subscribe to the MavAlert system that will send information in case of an emergency to their cell phones or email accounts. Anyone can subscribe at <https://mavalert.uta.edu/> or <https://mavalert.uta.edu/register.php>

**Student Support Services**:UT Arlington provides a variety of resources and programs designed to help students develop academic skills, deal with personal situations, and better understand concepts and information related to their courses. Resources include [tutoring](http://www.uta.edu/universitycollege/current/academic-support/learning-center/tutoring/index.php), [major-based learning centers](http://www.uta.edu/universitycollege/resources/college-based-clinics-labs.php), developmental education, [advising and mentoring](http://www.uta.edu/universitycollege/resources/advising.php), personal counseling, and [federally funded programs](http://www.uta.edu/universitycollege/current/academic-support/mcnair/index.php). For individualized referrals, students may visit the reception desk at University College (Ransom Hall), call the Maverick Resource Hotline at 817-272-6107, send a message to [resources@uta.edu](mailto:resources@uta.edu), or view the information at <http://www.uta.edu/universitycollege/resources/index.php>.

**The IDEAS Center (**2nd Floor of Central Library) offers **free** tutoring to all students with a focus on transfer students, sophomores, veterans and others undergoing a transition to UT Arlington. To schedule an appointment with a peer tutor or mentor email [IDEAS@uta.edu](mailto:IDEAS@uta.edu) or call (817) 272-6593.

**The English Writing Center (411LIBR)**: The Writing Center Offers free tutoring in 20-, 40-, or 60-minute face-to-face and online sessions to all UTA students on any phase of their UTA coursework. Our hours are 9 am to 8 pm Mon.-Thurs., 9 am-3 pm Fri. and Noon-6 pm Sat. and Sun. Register and make appointments online at http://uta.mywconline.com. Classroom Visits, workshops, and specialized services for graduate students are also available. Please see [www.uta.edu/owl](http://www.uta.edu/owl) for detailed information on all our programs and services.

The Library’s 2nd floor Academic Plaza offers students a central hub of support services, including IDEAS Center, University Advising Services, Transfer UTA and various college/school advising hours. Services are available during the library’s hours of operation. <http://library.uta.edu/academic-plaza>

**Librarian to Contact:** <http://www.uta.edu/library/help/subject-librarians.php> ]

**Course Schedule**

*As the instructor for this course, I reserve the right to adjust this schedule in any way that serves the educational needs of the students enrolled in this course. You will be notified of any such changes.*

Aug. 30 Orientation; Video: Madoff Fraud scam

Sept.6 Chapters 3-26 Audit reports

Chapter 26 is self-study

Sept. 13 Chapter 15 Audit Sampling for test of controls and substantive test of transactions

Sept. 20 Chapter 5 Legal Liability

Sept. 27 Chapters 19 Completing the tests in the acquisition and payment cycle: verification of selected accounts

Oct 4 Chapter 19-21 Completing the tests in the acquisition and payment cycle: verification of selected accounts

Audit of the inventory and warehouse cycle

Oct.11 Chapter 21 Audit of the inventory and warehouse cycle

Oct. 18 Exam I Chapter 3,5,15,26 and associated cases

Oct. 25 Critique exam

Chapter 24 Completing the Audit

Nov. 1 Chapter 24 Completing the Audit

Nov. 2 Last day to drop course

Nov. 8 New AICPA Clarity Audit Standards

Nov.15 Clarity Audit Standards (cont)

Nov. 22 Chapter 25 Other Assurance and non-assurance services

Nov.29 Exam II Chapter 19, 21 and Chapter 24 and associated cases

Dec.6 Critique exam

Sarbanes-Oxley sec.404 Internal Control Certification requirements; in consideration auditing journal entries, Chapter 10:p. 313-318

Dec. 13 Final exam

**Emergency Phone Numbers**: In case of an on-campus emergency, call the UT Arlington Police Department at **817-272-3003** (non-campus phone), **2-3003** (campus phone). You may also dial 911. Non-emergency number 817-272-3381