

DOMINICAN UNIVERSITY
ACC-430
AUDITING
SYLLABUS (preliminary)
Spring, 2017

Instructor: Richard Walstra, DBA, MBA, CPA
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Office: FA 220B

Office Hours: T, Th – 2-4 p.m. and any time by appointment

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Meeting times: T, Th: 11:30 a.m. – 12:45 p.m.

Location: Lewis 206 (tentative)

Text and Course Materials

Principles of Auditing & Other Assurance Services, Whittington & Pany, 20th ed. McGraw-Hill Irwin, 2016. ISBN-13 **978-0077729141**.

We *will* be using the ACL software to some degree

Alpine Cupcakes Inc., Audit Case Study, Dee & Mindak, 1st ed. Cambridge Business Publishers, 2017. ISBN-13 **978-1618530738**.

This case study booklet is a set of completed audit workpapers. We will use the workpapers to support material covered in the classroom and as a way to apply audit concepts by reviewing work that has been done (much less time consuming than trying to fill out workpapers). It's certainly feasible for you to reduce your cost by sharing the Alpine case with another student(s).

Instructor course handouts. I will provide detailed chapter notes (which I hope will be helpful for CPA Exam prep). Review the notes in advance of each class – you need to come prepared.

Course Description

The focus is a study of the auditing and assurance services that are provided by CPA's. Topics covered include business ethics, legal liabilities of the CPA, audit evidence and procedures, the cycles of an audit, materiality and risk, sampling, and audit reports. Business operations and internal controls will be explored since they form a basis for a successful audit. We will explore the wide range of services provided by CPAs (beyond the traditional financial statements audit) since these services are fully covered on the CPA Exam. The course will include lectures, interactive discussions, and group work. To help with preparation for the CPA Exam, we will make extensive use of simulation and multiple choice questions.

Course Learning Goals

At the completion of this class, students will

1. Understand the broad range of services provided by the accounting profession
2. Recognize the importance of auditor independence and ethical conduct
3. Know the primary requirements of the Sarbanes-Oxley Act of 2002
4. Understand the overall audit process
5. Be able to apply the planning functions of an audit
6. Appreciate the importance of internal controls for business and the effect that internal controls have on the audit
7. Know the different types of audit evidence and how it is collected and used to test management's assertions
8. Be able to use sampling techniques, including statistical sampling
9. Be familiar with the use of technology on an audit
10. Know the wording of the unqualified audit opinion and be able to identify when other types of opinions are necessary
11. Be familiar with the wording of the audit engagement letter and the management representation letter

Broader goals of the Brennan School of Business that we will incorporate throughout the class include:

- Appreciation for ethical and socially responsible behavior within the workplace.
- Ability to communicate effectively in written and verbal formats.
- Ability to utilize technology and electronic learning to address business applications.
- Quantitative, analytical and critical thinking skills.
- Understanding of global issues faced by organizations.

Assessment of Student Learning

Examinations (2)	150 points
Final Examination	100
Weekly preparation and homework assignments	200
Group/Case Work and Attendance	<u>50</u>
Total	500

Examinations will rely on multiple choice and simulation questions (comparable to the CPA Exam). Homework is due at the start of each class.

Course grading (prior to possible curve):

A=90%+ B=81-90% C=71-80%

Course Evaluations

All students are expected to complete the formal, on-line course evaluation at the completion of the course.

Other Course Notes

Attendance. Attendance is important due to the nature of material covered and the fact that we will regularly work in groups. Absences and tardiness will affect your grade. Cell phones, etc. should be turned off during class - blatant and/or continual abuse will also affect the grade component and could result in dismissal from class.

Class Involvement. I will do my best to keep the class stimulating, but it helps a great deal if you are involved in the class. I tend not to call on students while seeking out the 'right' answer. But as we discuss assignments, group work, current events, and practical applications, your involvement makes the course a better experience. This is one way for you to demonstrate your grasp of the topics.

Preparation. Auditing topics will be quite new to most of you, so you need to come prepared to class. Chapter notes will be available in advance of class. Much of the focus in class will be on *applying* the material, not merely learning it.

Homework. Homework will due for various classes throughout the semester. Due dates for the homework are firm, and class absences are *not* an excuse for missing the due dates. Auditing calls for quite a bit of professional judgment, so you certainly will need to do your own work.

Alpine Cupcakes Audit Case Study. The case consists of an inspection of a completed set of audit workpapers. The case structure allows for an application-based review of the stages of a financial statements audit – the planning process and the various steps of audit fieldwork including gathering and documentation of audit evidence.

Communication. We will make regular use of the Canvas site for the class. I am also frequently on email during the day (and I check it at night).

Accommodation Policy. I am very willing to make accommodations for any special learning needs. Please contact me to discuss any needs.

Plagiarism. Plagiarism from other sources is unacceptable and will result in a zero score on the first occurrence (and a report to the Dean) and failing the course for a subsequent occurrence. Finding author solutions on-line and quoting the material (even with slight rewrites) constitutes plagiarism. **Plagiarism has been a serious problem in a number of my courses in recent years and it will not be tolerated.**

Schedule

Th 1/12	Course and syllabus review Chapter 1	The Role of the Accountant in the American Economy
T 1/17	Chapter 3	Professional Ethics
Th 1/19	Chapter 2	Professional Standards
T 1/24	Ch 2 (cont) Chapter 4	Legal Liability of CPAs
Th 1/26	Chapter 5	Audit Evidence and Documentation
T 1/31	Ch 5 (cont)	
Th 2/2	Review of material to date; Chapter 6	Audit Planning, Understanding the Client, Assessing Risk and Responding
T 2/7	Examination (Chapters 1 – 5)	
Th 2/9	Exam review; Ch 6 (cont)	
T 2/14	Chapter 7	Internal Control
Th 2/16	Ch 7 (cont)	
T 2/21	Chapter 8	Consideration ...in an I.T. Environment
Th 2/23	Chapter 9	Audit Sampling
T 2/28	Ch 9 (cont)	
Th 3/2	<i>Alpine Cupcakes</i> < Spring Break >	
T 3/14	Chapter 10	Cycle: Cash and Investments
Th 3/16	Examination (Chapters 6 – 9)	
T 3/21	Exam review; Chapter 11	Cycle: A/R, N/R, and Revenue
Th 3/23	Chapter 12	Cycle: Inventories and COGS
T 3/28	<i>Alpine Cupcakes</i>	
Th 3/30	Chapter 13	Cycle: PP&E, Depreciation and Depletion
T 4/4	Chapter 14	Cycle: A/P and Other Liabilities
	Chapter 15	Cycle: Debt and Equity Capital
Th 4/6	Chapter 16	Auditing Operations and Completing the Audit
T 4/11	Ch 16 (cont) Chapter 17	Auditors' Reports
Th 4/13	Ch 17 (cont)	
T 4/18	Chapter 18	Integrated Audits of Public Companies
Th 4/20	Chapter 19	Additional Assurance Services: Historical Financial Information
T 4/25	Chapter 20	Additional Assurance Services: Other Information
Th 4/27	Chapter 21 Course review	Internal, Operational, and Compliance Auditing