

**ACC 4110/ACC 5220 - AUDITING  
Winter 2018**

**Tuesday/Thursday – 3:00 p.m. – 4:17 p.m. – 212 EH**

**INSTRUCTOR**

Donna Free, CPA, MACC

Faculty Coordinator, Master of Accounting Program

Office Hours:           Tuesday – 4:30 p.m. – 5:30 p.m.  
                                  Wednesday – 5:00 p.m. – 6:00 p.m.

Email me for additional times available; available most MWF.

Office:                   412 Elliott Hall;

Email:                   [free@oakland.edu](mailto:free@oakland.edu)

**PREREQUISITES**

ACC 3100 (310) – Intermediate Accounting I and ACC 3110 (311) – Intermediate Accounting II (or equivalent courses) with a 2.0 or better; ACC 3180/5180 with a 2.0 or better. The knowledge from these courses is definitely used.

**REQUIRED MATERIALS**

Messier, Glover, and Prawitt, **Auditing & Assurance Services, A Systematic Approach – 10th edition**

***Please bring your book to each class session.***

***Access to Moodle***

***OU email account***

**COURSE OBJECTIVES**

The primary objective of this course is to introduce the basic concepts underlying the audit process, the process of collecting audit evidence and the required communications of the auditor. A systematic approach will be taken with the primary emphasis on understanding why and how financial statement audits are performed. A student will be introduced to the Generally Accepted Auditing Standards, the AICPA's SAS's and the PCAOB's Auditing Standards. The analytical and reasoning skills developed in this course would be beneficial to all accounting students pursuing different career paths. There will also be a focus on current developments affecting the auditing profession and the auditors' responsibilities.

At the end of this course, each student should:

- Understand how and why financial statement audits are performed.
- Understand the basic concepts underlying the audit process including the components of audit risk.
- Understand the importance of ethics and independence in the auditing profession.
- Understand the relationship between audit risk, audit evidence, nature and extent of audit documentation, and financial statement assertions.
- Understand the assertion being tested by certain procedures.
- Be introduced to the GAAS, the AICPA's SAS's and the PCAOB's Auditing Standards.
- Understand how internal control relates to the financial statement audit.
- Understand the different types of sampling plans used in auditing.
- Identify the auditor's objective in the audit of specific areas, for example, cash.
- Understand reporting and communication requirements.

**CLASS PROCEDURE**

Auditing is a challenging and demanding profession. To provide coverage of significant amount of material and to allow for active learning, **the class meetings will be held assuming that you have read the assigned**

**material prior to class and are prepared to contribute to class discussions every session.** The subject matter of the course will be presented through a combination of lectures, discussions, and problem demonstrations. Lecture outlines will be distributed by MOODLE prior to each class. The **student should check MOODLE the evening prior to our class meeting.** Questions from the students are **always encouraged.**

It is impossible to discuss or present all the material relevant to auditing in class. Consequently, the instructor's role is to guide and assist you in the learning process. The instructor's lectures are meant to **supplement the reading** and are not intended to be a substitute for it. Although as much assistance as possible will be provided to you, **the burden of assimilating the subject matter involves extensive reading, studying and assignment preparation.** A student at this level must take responsibility for his or her own education.

I expect the following from all students at this level:

1. Attend every class.
2. Come to class **on time** and be courteous to your fellow classmates.
  - a. No talking or private conversations during the lecture or class discussion.
  - b. No cell phones including texting. – **NO PHONE ZONE.**
  - c. No lap tops unless you are using your e-book during class. Notes should be hand-written.
  - d. Do not leave during class unless you have an emergency.

**(Students arriving late on a regular basis and leaving early are a distraction to all in the room. The professor considers these occurrences as inconsiderate and unprofessional. Conversing, texting, using laptop computers for non-class activities in class are also rude and unprofessional. These activities will result in an unexcused absence.)**
3. Read the chapters before class so that you can ask questions and participate in discussions.
4. Consider possible solutions to all assigned problems prior to class.
5. Get help as soon as you realize that you are having difficulty with the material.

### USE OF RECORDING DEVICES

You may use laptop computers during class to take notes only. You may not use recording devices of any kind. The lectures and information presented in class by this instructor is proprietary and subject to copyright protection. Unauthorized use constitutes infringement and may subject you to sanctions. Electronically removing any materials (including pictures) from this class without the permission of the instructor is against the class rules and subject to consequences.

### GRADING

Course grade will be based solely on the following grading factors and weights:

Attendance	5%
Quizzes	15%
Other Assignments/In-Class Assignments	15%
Midterm Examination	30%
Final Examination	35%
(Comprehensive)	<hr/>
	<b>100%.</b>

All individual scores will be posted on MOODLE and you should contact the instructor immediately with discrepancies. MOODLE may not always calculate the weighted grades during the term so you should calculate your own weighted grade during the term.

The relationship between course grade and course average are based on the following grading factors:

<b>Percent of Points</b>	<b>Numeric Grade</b>	<b>Letter Equivalent</b>
100 % - 90%	4.0 - 3.6	A
89% - 80%	3.5 - 3.0	B
79% - 65%	2.9 - 2.0	C
64% - 50%	1.9 - 1.0	D
49% - 0%	0.0	F

### **RELEVANT HOMEWORK PROBLEMS**

All homework problems should be reviewed and notes taken before the class discussion of that material. By reading the material and attempting the problems prior to class discussion, the student maximizes the benefit of the lecture and class discussion and is in a position to ask appropriate questions and identify areas where help is needed. The assigned problems noted on the schedule will not be collected but the student should prepare each assignment so that they can contribute to class discussions and be prepared for random quizzes. All problems not thoroughly discussed in class will be posted.

### **ATTENDANCE – 5% of Total Grade**

An attendance sheet will be distributed at the beginning of each class for students to sign in. Students must be on-time to assure the option of signing the attendance sheet. Each student will start with 100% for this category. Percentage earned in this category will be determined as follows:

- 100% - miss class, be tardy or do not follow the class rules a maximum of one time
- 95% - miss class, be tardy or do not follow the class rules twice
- 85% - miss class, be tardy, or do not follow the class rules three times
- 80% - miss class, be tardy or do not follow the class rules four times
- 70% - miss class, be tardy or do not follow the class rules five times
- 60% - miss class, be tardy or do not follow the class rules six times
- 50% - miss class, be tardy or do not follow the class rules seven times
- 0% - miss class, be tardy or do not follow the class rules more than seven times.

An absence due to a university excused event is considered an excused absence. Tardiness due to a weather related issue where numerous students are late is also considered an excused event. Using your cell phone in class due to a family emergency would also be considered an excused event.

### **QUIZZES -15% OF GRADE**

Quizzes and in-class exercises will be given throughout the semester. There will be a combination of on-line, take-home quizzes, in-class individual quizzes, in-class group quizzes, and participation exercises. They are meant to be challenging and away for the student to gauge their understanding of the material. These quizzes/exercises are worth 10 points each. Your best quizzes/exercises will be used in determining your grade. One additional quiz will be given at the end of the term and you can choose to complete. Participation in “Who Wants to Be An Auditor” counts as a quiz grade and this quiz grade cannot be dropped unless there are extremely extenuating circumstances. **There are no make-ups on quizzes/exercises.** You must be in class on the day the quiz is due for it to be accepted. **There are no exceptions to this policy.** Quizzes represent 15% of the total grade.

### **OTHER ASSIGNMENTS (15% OF GRADE)**

You will be expected to complete a variety of other assignments during the semester. These projects will be distributed in class with detailed instructions as some will be individual efforts and others will be completed

with a designated partner . Some assignments of lesser points will be completed in class and there are no makeups on these assignments. Some assignments which are distributed and later collected will be accepted late at a penalty of 10% per 24 hour period. For example if the project is due at the beginning of class on October 1<sup>st</sup> and it is turned in at the end of class on the 1<sup>st</sup>, there will be a 10% penalty. An additional 10% will be deducted for each 24 hour period it is late. **Once projects have been graded, returned and discussed in class, the late project will no longer be accepted.** Other assignments represent 15% of the total grade.

### **EXAMS (65% OF GRADE)**

There will be two exams during the semester. The exams are a combination of essays and multiple-choice. The final examination will cover new material and chapters previously covered. Graded examinations will be thoroughly discussed in class. After reviewing the exams, the exams **will be retained** by the instructor. **All exams are the property of Donna Free and removing any part of an exam, physically or electronically is considered a violation of proper academic conduct and the student will receive a “0” in the course.**

### **MAKEUP EXAM POLICY**

You are expected to be present to take the examination on the scheduled dates. If you are unable to be present for a legitimate unavoidable emergency, you are required to give me notification of your reason prior to the time of the examination. I will require written documentation to excuse you. The decision to give a makeup and arrangements for taking the makeup exam will be made on an individual basis in those cases where your absence from the regularly scheduled examination is for a legitimate, unavoidable and verifiable reason.

### **UNIVERSITY DATES**

All students should be aware of the University Academic Calendar and Important Dates for the Winter 2018 term. For example, January 18th, is the last day to drop a course and receive a 100% refund. For a complete listing of important dates, see <http://www.oakland.edu/registrar/important-dates>.

### **EXTRA CREDIT OPPORTUNITY - ATTENDANCE AT PROFESSIONAL MEETINGS**

A good understanding of the subject matter covered in this course is essential for those who wish to become accomplished accountants. However, there are other important skills that are not necessarily taught in the classroom. Professional development and meeting individuals currently working in the accounting profession or part of the business world are also an important part of accounting education.

To encourage your professional development as an accounting student, you may earn "extra credit" in this course by attending Thursday Accounting Professional Meetings or by participating in other professional opportunities.

The meetings, sponsored by the accounting student organizations OASIS/NABA/Beta Alpha Psi, are held every Thursday at noon, usually in the Elliott Hall Auditorium or the Oakland Center – Gold B/C. They feature speakers from industry, government and public accounting, providing an excellent opportunity for students to interact with "real-world" accountants and to engage in personal and professional development. There are also opportunities offered by the FMA (Financial Management Association) and SBA events.

Participate in the following number of events and receive the following points.

1. Attend 8 events – 2% points.
2. Attend 4 events – 1% point.

Each professional event is worth 0.25%. To earn credit for the event, sign-in at the event if the officers from that organization communicate attendance to the faculty. If attendance is not maintained or is not appropriate, complete an extra credit form. Extra credit forms can be found on MOODLE. Turn –in all extra credit forms at the end of the term.

Professional interactions are the only extra credit opportunity. If you are unsure if an event will count towards extra credit, check with the instructor.

### **ETHICS AND INTEGRITY**

An accountant's most important asset is his/her integrity. Clients, employers and the public at large rely on assertions made by accountants. They expect those assertions to be truthful and accurate, and place great trust in those assertions. This translates into expectations of personal integrity and ethical behavior. Your instructor holds such expectations for students enrolled in this course.

Ethics involve choices of conduct that balance peer reaction or extrinsic rewards with one's own value system. Ethics include both choice and consequences of choice. In this course, you will be given a variety of out-of-class assignments. For some, you are permitted and encouraged to work in-groups to reinforce the learning experience. Other assignments, however, are intended to be exclusively your individual work. For those individual assignments, you should not take credit for the work of others as your own. If you are not certain as to whether joint work is acceptable, ask your instructor.

Please read and follow the university policy on academic conduct. Any apparent violations will be reported to the Committee on Academic Conduct and a “0.0” will be assigned to the course if found guilty by the Committee on Academic Conduct.

### **Oakland University - Academic Conduct Regulations - <http://www.oakland.edu/?id=1610&sid=75>**

All members of the academic community at Oakland University are expected to practice and uphold standards of academic integrity and honesty. Academic integrity means representing oneself and one’s work honestly. Misrepresentation is cheating since it means the student is claiming credit for ideas or work not actually his or her own and is thereby seeking a grade that is not actually earned. All academic misconduct allegations are forwarded to the Dean of Students Office and adhere to the **student judicial system**.

### **Faculty Standards**

Faculty members are expected to maintain the following standards in the context of academic conduct:

1. To inform and instruct students about the procedures and standards of research and documentation required to complete work in a particular course or in the context of a particular discipline.
2. To take practical steps to prevent and detect cheating.
3. To report suspected academic misconduct to the Dean of Students, 144 Oakland Center, for consideration by the Academic Conduct Committee of the University Senate.
4. To present evidence of plagiarism, cheating on exams or lab reports, falsification of records, or other forms of academic misconduct before the Academic Conduct Committee.

### **Student Standards**

1. To be aware of and practice the standards of honest scholarship.

2. To follow faculty instructions regarding exams and assignments (including group assignments) to avoid inadvertent misrepresentation of work.
3. To be certain that special rules regarding documentation of term papers, examination procedures, use of computer-based information and programs, etc., are clearly understood.
4. If a student believes that practices by a faculty member are conducive to cheating, he or she may convey this information to the faculty member, to the chairperson of the department, or to any member of the Academic Conduct Committee (either directly or through the Dean of Students Office).

**Following are some examples of academic dishonesty:**

1. Cheating on assignments and examinations. This includes, but is not limited to, the following when not authorized by the instructor: the use of any assistance or materials such as books and/or notes, acquiring exams or any other academic materials, the use of any other sources in writing drafts, papers, preparing reports, solving problems, works completed for a past or concurrent course, completing homework or carrying out other assignments. No student shall copy from someone else's work or help someone else copy work or substitute another's work as one's own. No student shall engage in any behavior specifically prohibited by an instructor in the course syllabus or class discussion.
2. Plagiarizing the work of others. Plagiarism is using someone else's work or ideas without giving that person credit. By doing this, a student is, in effect, claiming credit for someone else's thinking. This can occur in drafts, papers and oral presentations. Whether the student has read or heard the information used, the student must document the source of information. When dealing with written sources, a clear distinction should be made between quotations, which reproduce information from the source word-for-word within quotation marks, and paraphrases, which digest the source of information and produce it in the student's own words. Both direct quotations and paraphrases must be documented. Even if a student rephrases, condenses or selects from another person's work, the ideas are still the other person's and failure to give credit constitutes misrepresentation of the student's actual work and plagiarism of another's ideas. Buying a paper or using information from the Internet without attribution and handing it in as one's own work is **plagiarism**.
3. Cheating on lab reports by falsifying data or submitting data not based on the student's own work.
4. Falsifying records or providing misinformation regarding one's credentials.
5. Unauthorized collaboration on assignments. This is unauthorized interaction with anyone in the fulfillment of academic requirements and applies to in-class or take-home coursework. Individual (unaided) work on exams, lab reports, homework, computer assignments and documentation of sources is expected unless the instructor specifically states in the syllabus or verbally that it is not necessary. Collaboration can also include calculating homework problems with another person, having another help to rewrite a paper, sharing information/sources with others and checking coursework with others.
6. Completion of original work. When an instructor assigns coursework, the instructor intends that work to be completed for his/her course only. Work students may have completed for a course taken in the past, or may be completing for a concurrent course, must not be submitted in both courses unless they receive permission to do so from both faculty members.