



COURSE SYLLABUS

Course: **ACCT 4963 – Audit and Assurance Services**

Prerequisite: ACCT 3723 with a grade of "C" or better.

Course Description:

Professional standards and procedures as applied to external and internal assurance engagements. Including coverage of the economic role of assurance providers, engagement planning, risk assessment, evidence gathering, and reporting.

Course Objectives:

1. To introduce you to the basic concepts of auditing, with the emphasis being on the practice of auditing in the external (public company audits) and internal auditing contexts.
2. To understand the role that audits (both internal and external) play, their purpose, and the value that they provide.
3. To identify, research, understand, and apply current auditing standards and guidance relating to ethics, independence, and other professional standards.
4. To begin your preparation for various professional certification exams (e.g., CPA exam, CIA exam, etc.).

Additional Course Objectives and Value:

In addition to the specific audit skills described above, the course objectives also include addressing the following broader professional competencies:

1. To develop your critical thinking and written/oral communication skills in both individual and group settings.
2. To develop skills which will help you perform and feel comfortable in situations where the task at hand is complex and/or the solution is uncertain.
3. To understand the various professional opportunities, resources, and career tracks within the external and internal audit professions.
4. To develop your understanding of the critical importance of honesty, truth-telling, and professionalism in the course and in your career.

Textbook and Other Course Materials:

1. Textbook: Messier et al., *Auditing & Assurance Services: A Systematic Approach* (8th ed.)
2. Four function calculator

3. Additional course materials are available online:
 - a. Public Company Accounting Oversight Board (PCAOB) – *Auditing Standards (AS)*: Available at www.pcaobus.org
 - b. American Institute of Public Accountants (AICPA) - *Statements on Auditing Standards (SAS)*: Available at www.aicpa.org
 - c. The Institute of Internal Auditors (IIA) – *Standards and Guidance*: Available at <http://www.theiia.org>

4. Useful websites and blogs:
 - a. The Wall Street Journal: www.wsj.com
 - b. CFO Magazine: <http://www.cfo.com/magazine>
 - c. Going Concern: <http://goingconcern.com>
 - d. re: The Auditors: <http://retheauditors.com>
 - e. The Accounting Onion: <http://accountingonion.typepad.com/theaccountingonion>
 - f. Finance Professor: <http://financeprofessorblog.blogspot.com>

Class Procedures, Grading, and Requirements:

Each class session will combine presentations related to the assigned readings with opportunities for questions and discussion. **I expect you to have read the assigned material before each class session.** The course grade will be based on the following point distribution:

<u>Item</u>	<u>Points</u>	<u>Letter Grades</u>
Exam 1	100	A = 90% +
Exam 2	100	B = 80-89 %
Exam 3	100	C = 70-79 %
Final Exam	100	D = 60-69 %
Assignments and Quizzes	25	F = less than 60 %
Participation and Professionalism	25	
Group Project	50	
Total Points	500	

I rely on the definition of grading marks provided by the University of Arkansas – Catalog of Studies to provide a classification of grades. *“The grade of “A” is given for outstanding achievement to a relatively small number of excellent scholars. The grade of “B” represents good achievement. The grade of “C” is given for average achievement, and the grade of “D” for poor but passing work. The grade of “F” denotes failure and is given for unsatisfactory work.”*

In-Semester Exams:

The course includes three equally weighted in-semester examinations. The material that will be covered on each exam is provided in the attached tentative course schedule. For Exam 2 and Exam 3, material from previous exams may be included at my discretion. All examinations will be comprised of objective questions (M/C, T/F) and subjective discussion questions. Written communications skills will constitute a portion of the grade. Anything I say in class, as well as any material from the assigned readings, is fair game on the exams.

Final Exam:

A final exam will be given during the scheduled final exam period (see attached tentative schedule). The final exam is **mandatory** and the material covered will be **comprehensive**. In addition to accounting for 20% of the course grade (100 possible points), the grade on the final

exam will replace the lowest semester exam grade (Exam 1 – Exam 3). However, if the grade on the final exam is lower than the lowest semester exam grade (Exam 1 – Exam 3), the final exam grade will only be counted once (i.e., I will not lower one of your in-semester exam grades).

Missed Exams:

An UNEXCUSED ABSENCE from any exam results in a ZERO. Students who miss an exam due to an EXCUSED ABSENCE (arranged **before** the examination or excused by a documented emergency) should meet with me as soon as possible to arrange a time to take the exam.

Assignments and Quizzes:

There will be a total of 5 assignments/quizzes (each worth 1% of the final course grade). The quizzes are designed to reinforce important concepts and help you prepare for the exams.

Participation and Professionalism:

This portion of your grade will be based on your participation in class discussions. *Attendance is highly recommended.* You cannot participate in the discussions if you do not attend class.

Group Project:

At the beginning of the semester, I will create groups comprised of 4-5 students. Each group will work together throughout the semester to complete a research project. The purpose of the project is to reinforce skills that are essential for professional success. Specifically, the project will require students to research their selected topics, summarize the information they collect, and communicate their findings in an effective manner. There are two types of projects that would be acceptable for this assignment:

1. **Discussion of an Emerging Issue in the Profession** – It is important that students be able to identify, research, and adjust to new auditing standards, laws, regulations, etc. Groups will be required to identify an emerging issue pertaining to the auditing profession. Examples of issues that the group may wish to address in the project include the following: What is the issue and why is it important? What events led to the change in standards/laws/regulations? What groups are responsible for developing/implementing the proposed change? What are the expected benefits/costs of the proposed change and who is expected to be impacted?
2. **Summary of Academic Research in Auditing** – There is a large body of academic research which investigates issues that could shed light on key issues you will confront during your professional career. Each group will be required to identify a stream of auditing research (e.g., research on the determinants of audit quality, factors leading to restatements, benefits/costs of internal control evaluations, etc.) and address issues such as the following: What are the key findings of the research? How/should the findings impact the way that audits are performed? What are the market implications of the findings? Do the findings have public policy implications? What questions remain unanswered by the research?

The list is not meant to be exhaustive. I am willing to consider a broad range of topics. However, all topic proposals must be approved in advance. Each group will be required to provide a one-page proposal describing the topic they have selected (see attached course

schedule for due date). Topics will be approved on a first-come, first-served basis - duplicate topics will not be permitted. At the end of the semester, each group will provide a 3-4 page report and a 20 minute in-class presentation. The written report should include in-text citations where needed and a complete reference list. I expect that all work associated with this assignment will be fairly distributed - “free riding” (not making a fair contribution) in group work is academic dishonesty because the work is represented as the result of all members’ contributions and it will not be tolerated. It is your responsibility to inform me if issues relating to “free riding” arise.

Academic Integrity:

As a core part of its mission, the University of Arkansas provides students with the opportunity to further their educational goals through programs of study and research in an environment that promotes freedom of inquiry and academic responsibility. Accomplishing this mission is only possible when intellectual honesty and individual integrity prevail. Each University of Arkansas student is required to be familiar with and abide by the University’s ‘Academic Integrity Policy’ which may be found at <http://provost.uark.edu/>. Students with questions about how these policies apply to a particular course or assignment should immediately contact their instructor.

Perhaps the most difficult ethical issue any student can face is their responsibility to take action when they know another student is violating ethical standards. Such violations contribute to the deception of potential employers and are injurious to the ethical climate of the entire University. Consequently, it is your responsibility to notify me if you know of violations by other students.

Application of the Academic Honesty Policy, as stated at <http://provost.uark.edu/> will be fully adhered to in this course.

Inclement Weather Policy:

When the University is open, class and scheduled exams will be held. If you have any doubts about whether class or exams will be held, please email me before leaving for class. No penalty will be assessed if you are not able to attend class due to inclement weather or road conditions.

Fall 2012 – Tentative Schedule

Day	Date	Topic
Mon	Aug 20	Course Introduction
Wed	Aug 22	Ch. 1 – An Introduction to Assurance and Financial Statement Auditing
Mon	Aug 27	Ch. 21 – Assurance, Attestation, and Internal Auditing Services
Wed	Aug 29	Ch. 19 – Professional Conduct, Independence, and Quality Control
Mon	Sep 3	No Class – Labor Day
Wed	Sep 5	Ch. 19 – Continued
Mon	Sep 10	Ch. 2 – The Financial Statement Auditing Environment
Wed	Sep 12	Ch. 2 – Continued; Exam 1 Review
Mon	Sep 17	EXAM 1 – Ch. 1, 21, 19, 2
Wed	Sep 19	Ch. 3 – Audit Planning, Types of Audit Tests, and Materiality

Mon	Sep 24	Ch. 4 – Risk Assessment
Wed	Sep 26	Ch. 4 – Continued
Mon	Oct 1	Ch. 5 – Evidence and Documentation
Wed	Oct 3	Ch. 5 – Continued; Project Proposals Due
Mon	Oct 8	Ch. 6 – Internal Control in a Financial Statement Audit
Wed	Oct 11	Ch. 6 – Continued; Exam 2 Review
Mon	Oct 15	No Class – Fall Break
Wed	Oct 17	EXAM 2 – Ch. 3, 4, 5, 6
Mon	Oct 22	Ch. 7 – Auditing Internal Control Over Financial Reporting
Wed	Oct 24	Ch. 7 – Continued
Mon	Oct 29	Ch. 8 – Audit Sampling: An Overview and Application to Tests of Controls
Wed	Oct 31	Ch. 8 – Continued
Mon	Nov 5	Ch. 17 – Completing the Audit Engagement
Wed	Nov 7	Ch. 17 – Continued
Mon	Nov 12	Ch. 18 – Reports on Audited Financial Statements
Wed	Nov 14	Ch. 18 – Continued; Exam 3 Review
Mon	Nov 19	EXAM 3 – Ch. 7, 8, 17, 18
Wed	Nov 21	No Class - Thanksgiving
Mon	Nov 26	Project Work Day
Wed	Nov 28	Group Presentations Day 1; Group Project Reports Due
Mon	Dec 3	Group Presentations Day 2
Wed	Dec 5	Final Exam Review
Mon	Dec 10	Final Exam (both sections): 8:15-10:15 PM

Note: Changes to this tentative schedule may become necessary as we progress through the semester. I will announce any changes to the schedule in class.