



**Sam Houston State University
College of Business Administration
Department of Accounting
Syllabus – Fall Semester 2007**

Course Number and Title: ACC 481(W) – Auditing Principles

**Section, Meeting Days,
Time, Location:**

01	MW	12:30 - 1:50pm	SHB 331
02	M	6:00 - 8:50pm	UNIV CTR 209
03	TT	9:30 - 10:50am	SHB 331

Prerequisites: ACC 366 – Intermediate Accounting II (C or better)
ACC 381 – Principles of Accounting Systems Design (C or better)

Professor: Ronny Daigle

Office: SHB 311-D

Office Hours: Monday thru Thursday from 11:00am-12:00pm
Tuesday and Thursday from 1:00-3:00pm
and by appointment

Telephone: 936-294-1479

Email: daigle@shsu.edu

Required Text: **Auditing and Assurance Services – An Integrated Approach (12th Edition)** by Arens, Elder and Beasley (ISBN-10: 0-13-612827-0 or ISBN-13: 0-13-612827-4)

Supplemental Items: **Authoritative Pronouncements – Available via University Network**
Instructions for access are posted at **Blackboard** under **Course Information**.

Bisk CPA Ready Comprehensive CPA Exam Review – Available at
<http://www.cpaexam.com/Scripts/Login/Login.aspx?key=EAF83F12-380A-4E1E-B15F-E0C463F3E840>.

Please go to the above link and register, setting up your own user name and password. Instructions for doing so are posted at **Blackboard** under **Course Information**.

I will suggest questions to study from this website in conjunction with course material covered. Suggested questions and answers will be posted at Blackboard throughout the semester. I will use some of the questions (whether modified or verbatim) on exams in this course.

Other Materials:

Handouts and bare-bone Powerpoint slides will be provided throughout the semester for the purpose of complimenting and emphasizing textbook material. Much of this will be posted at Blackboard, but some may be handed out in class.

Course Description per the Course Catalog

An introduction to auditing concepts and procedures. Emphasizes generally accepted auditing standards; professional responsibilities; the nature, acquisition, evaluation, and documentation of audit evidence; internal control; and the auditor's reports.

General Course Objectives

Upon completion of this course students will have:

1. Gained factual knowledge (terminology, classifications, methods, trends) in auditing.
2. Learned to apply course material to issues such as improved thinking, problem-solving, decisions in auditing.
3. Developed specific skills, competencies, and points of view needed by audit professionals.

Specific Course Objectives

Upon completion of this course students will have learned:

1. specific aspects of the **audit profession**, including:
 - why financial statement auditing and other assurance and attestation services are demanded.
 - the role of audit standards as promulgated by the AICPA Auditing Standards Board and the PCAOB.
 - types of audit reports that may be issued and the conditions under which they are issued.
 - the importance of ethics, independence, code of professional conduct and how they apply to practice.
2. specific aspects of the **audit process**, including:
 - auditor and management responsibilities, audit assertions and objectives, general concepts of evidence accumulation and audit documentation.

- the importance of planning audit engagements, including the use of analytical procedures.
 - the impact of materiality and risk on an audit.
 - the importance of internal controls on both a financial statement audit and audit of internal control over financial reporting.
 - the auditor's responsibility for detecting fraud.
 - audit program design.
3. how to **apply the audit process** to:
- the sales and collection cycle.
 - auditing cash.
4. specific aspects of **completing an audit**, including:
- the review for contingent liabilities and commitments.
 - the review for subsequent events.
 - the issuance of the audit report and required communications.
5. insights into the important topic of **earnings management**.

Student Syllabus Guidelines

You may find online at the link below a more detailed description of a number of the following policies. It is a student's responsibility to familiarize themselves with these policies and understand the implications of not following them.

<http://www.shsu.edu/syllabus/>

Academic Dishonesty: Students are expected to maintain honesty and integrity in the academic experiences both in and out of the classroom. University policies will be enforced for any and all instances of academic dishonesty. *See Student Syllabus Guidelines at the link above for further discussion.*

Student Absences on Religious Holy Days: Students are allowed to miss class and other required activities, including examinations, for the observance of a religious holy day, including travel for that purpose. Students remain responsible for all work. *See Student Syllabus Guidelines at the link above for further discussion.*

Students with Disabilities Policy: It is the policy of Sam Houston State University that individuals otherwise qualified shall not be excluded, solely by reason of their disability, from participation in any academic program of the university. Further, they shall not be denied the benefits of these programs nor shall they be subjected to discrimination. Students with disabilities that might affect their academic performance should visit with the Office of Services for Students with Disabilities located in the Counseling Center. *See Student Syllabus*

Guidelines at the link above for further discussion.

Visitors in the Classroom: Only registered students may attend class. Department of Accounting policy requires permission of the Department Chair for non-registered students to attend class. Students wishing to audit a class must apply to do so through the Registrar's Office.

Classroom Conduct: Students are expected to assist in maintaining a classroom environment that is conducive to learning. Everyone in the class is expected to treat everyone else in the class with respect. This includes, but is not limited to:

- arriving to class on time;
- not leaving early unless giving notification before class;
- not talking about non-class-related matters while class discussion is going on;
- not reading newspapers, books or other items during class;
- not browsing or working on a computer for non-class related matters during class;
- not studying or working on items from other classes during the class period.

Devices such as cellphones, iPods, etc. are to be kept turned off (not on vibrate mode, but powered down) and put away during class. Under no circumstances are cellphones, iPods or any other type of electronic device to be used or seen during times of examination. Such items are to be kept turned off and put away during examinations. Any such occurrence can be considered an act of academic dishonesty.

Students are expected to read assigned material and perform assigned homework before class. Students should not be afraid to speak up and/or ask questions in class. Students will be called upon to answer questions (including homework problems) rather than a simple asking for volunteers. This practice is not intended to be embarrassing; rather, verbal communication skills and the ability to "think on one's feet" are important for all business professionals, including auditors.

Measurements of Progress and Course Evaluation

There are three types of evaluation and progress measurement methods in this course: 1) exams, 2) quizzes and homework and 3) a written case study assignment regarding the topic of earnings management. The grand total number of points from all of these evaluation methods is **550 points**.

Exams (a.k.a. Opportunities for Excellence):

There will be three regular semester exams **each worth 100 points** and a final exam worth **125 points**. The class schedule shows both the date of and material covered on each respective exam. Exams will consist of both multiple choice and essay/discussion questions. This component of a student's grade is worth a **grand total of 425 points**.

A comprehensive make-up exam covering all concepts covered on the first three exams will be given during the second to last regularly scheduled class period of the semester (see schedule for the date of the make-up exam). Any student can take this exam for replacing his/her lowest score on their first three exams.

Students who miss any one of the first three exams for a university-allowable excuse can take the comprehensive make-up exam in lieu of the missed exam. Failing to take advantage of this make-up opportunity will result in a grade of zero being assigned to the missed exam. The student is responsible for letting me know as soon as reasonably possible his/her university-allowable excuse. Failing to do so within a reasonable timeframe will result in no opportunity for taking the make-up exam to replace the missed exam. If two or all three of the first three exams are missed, no make-up will be allowed for those missed exams beyond the first one, with a grade of zero assigned to those missed exams beyond the first one being made up for.

Please be aware that all students must take the final exam.

Homework and Quizzes:

Homework problems are assigned throughout the semester. The purpose of homework is to help students acquire knowledge, motivate students to consistently keep up with course material, aid class discussion and prepare students for exams. The class schedule shows specific homework problems assigned from the textbook and their associated due dates. Homework problems are to be completed before the scheduled class period shown on the class schedule. Homework (which includes all problems assigned for a particular class period) will be randomly checked throughout the semester at the beginning of the class period due. Points will be earned based on the attempt at answering the assigned problems. Each set of homework problems checked is worth **5 points**.

Announced and unannounced quizzes will be given throughout the semester. The purpose of quizzes is to motivate students to retain knowledge discussed in the course and prepare students for exams. Each quiz is worth **5 points**.

The 10 highest homework/quiz grades will be considered in the determination of a student's letter grade for the course. Because only the 10 highest are considered, there is no make-up policy for missed homework and quizzes. If a student knows he/she is going to miss a class period, the student may turn in their homework beforehand, either in person or via email, so as to get credit for that day if homework is checked or a quiz is given. This component of a student's grade is worth a **grand total of 50 points**.

Case Study Assignment:

A case study assignment will be given regarding a special topic of great importance to auditing – earnings management. Students will complete the assignment in groups, as formed by me. The assignment will require students to assume the role of a financial statement auditor and consider how he/she would handle the issues discussed in the case. The assignment will require students to apply material discussed throughout the entire course.

This course is noted in the course catalog as a writing course – therefore, this assignment will require students to write a report in response to the requirements of the case study. Because of the emphasis on writing, such aspects as grammar, spelling, and sentence structure will be evaluated when assigning grades. Professional writing skills are important to develop for having a successful business career.

Because the assignment will be completed in groups, group members will evaluate each other for determination of individual assignment grades, as opposed to the grade given to the assignment at the group level. I will provide suggested guidance later this semester that should be helpful with evaluating group members.

The case, the formation of student groups, specific requirements and format of report response will be provided later this semester. The due date of the case study report is shown on the class schedule as the last class period of the semester.

Failing to turn in the case report by the assigned due date without a university-allowable excuse will result in a score of zero. Student groups are responsible for letting me know as soon as reasonably possible their university-allowable excuse. Failing to do so within a reasonable timeframe will result in a score of zero being earned for the case for all students in the group. This component of a student's grade is worth **75 points**.

Course Evaluation:

A student will guarantee receiving a specific letter grade based on the following:

≥ 495 points earned guarantees a letter grade of A

≥ 440 and < 495 points earned guarantees a letter grade of B

≥ 385 and < 440 points earned **AND** at least 297 of those points are earned through exams (at least 70% of 425 exam points possible) guarantees a letter grade of C – else a letter grade of D is earned (see note below for explanation of these two requirements)

≥ 330 and < 385 points earned **AND** at least 255 of those points are earned through exams (at least 60% of 425 exam points possible) guarantees a letter grade of D – else a letter grade of F is earned (see note below for explanation of these two requirements)

< 330 points earned results in a letter grade of F

Please note above that there are two requirements for guaranteeing the earning of a letter grade of C and D in this course. The rationale for the two requirements for these two letter grades is as follows: Students must first exhibit through exams the acquisition of a minimum level of knowledge for these particular letter grades to be earned before the consideration of other grade components. The purpose of homework, quizzes, and the assignment are to help in the acquisition of knowledge – knowledge that will be tested through exams. If a student does not exhibit through exams the acquisition of a certain level of knowledge, then the purpose of homework, quizzes and the assignment is not fulfilled, thereby eliminating their value and usefulness for determining a student's letter grade in the course.

Attendance Policy

Department of Accounting policy requires that roll be taken each class period for administrative purposes. However, attendance is **not** a specific evaluation and progress measurement method in this course (see Measurements of Progress and Course Evaluation for applicable methods). Missing class will seriously detract from one's learning experience, as well as that of all other students, because class discussion by all students helps everyone who is present. Handouts and assignment materials may be handed out in class. If a student is not present when such items are handed out, the student still remains responsible for them.

Last Day to Drop Without Receiving a Letter Grade of an F: October 10, 2007

Utilization of Blackboard

Many course-related items will be disseminated through the use of the Blackboard application on the SHSU server. To access your specific Blackboard account for this class, log on to the SHSU home page at www.shsu.edu and click on the term “Blackboard” in the lower right hand portion of the screen. A screen requiring your user name and password will come up. Your user name is your SHSU user name such as STDXXXXXX and your password is the one you use to get on to the SHSU system. If you do not have an account set up on Blackboard, you can click on the Account Activation tab.

Utilization of Email

Email will be used to communicate time sensitive information for this class. The Blackboard mail system will be utilized which will send email to your student address as recorded in the SHSU system. If that address is not the primary address that you use and check daily, you can have that address forwarded to your preferred address by contacting University Computer Services help desk at extension 1950.

Changes in the Class Schedule

Course progress over a semester may differ from that specified in the initial class schedule. If adjustments are necessary, an updated schedule will be provided in a timely manner, incorporating any necessary schedule changes.

One last thing – I hope you have a great semester in this and all your courses!