

**ACCOUNTING 4400**  
**AUDITING – PROFESSIONAL RESPONSIBILITIES**  
Fall 2015, Section 002  
**COURSE SYLLABUS AND SCHEDULE**

**INSTRUCTOR:** Sonja Hightower, CPA, CMA, CGMA, CIA  
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**CLASS TIME& LOCATION:** Monday, Wednesday; 2:00 - 3:20 p.m.; BLB 225

**OFFICE HOURS:** Monday, Wednesday 11:00 - 11:50 a.m.  
1:00 - 1:50 p.m.  
Friday 11:00 - 11:50 a.m.  
or by appointment.

**TEXT**

Messier, Glover, and Prawitt. 2014. Auditing & Assurance Services: A Systematic Approach. Ninth edition. A course copy is available at Eagle Commons Library in Sycamore Hall.

**PREREQUISITES**

ACCT 3120 and ACCT 4100; BLAW 3430; must have a 2.5 GPA in all ACCT 3000 and ACCT 4000 courses taken at UNT or their equivalent taken at other colleges and universities to take this course. ACCT 4400 may not be taken more than twice whether at UNT.

**COURSE DESCRIPTION**

Introduction to auditing and the professional responsibilities of a career in any specialty of the accounting profession. Topics include the legal and ethical responsibilities of accountants; professional auditing standards; the acquisition, evaluation, and documentation of audit evidence; reports on the results of the engagement.

**CORE CATEGORY**

Capstone

**CORE CURRICULUM**

The capstone course is an important component of UNT's Core Curriculum. This course is related to the category of **Social and Behavioral Sciences** and will focus on the application of empirical and scientific methods that contribute to the understanding of what makes us human. As a capstone experience, auditing a company's financial statements requires an understanding of both accounting principles and the human and social environment in which accounting decisions are made. The ability to make such considerations in complex situations derives from the study of the human community and the social and behavioral environment.

The accounting function impacts all areas of the audit client organization. This course addresses the potentially conflicting ways of thinking and decision-making applied by various constituencies of the client, including client employees, the audit firm, regulators, and client shareholders, and considers how financial statements and the accompanying audit report can impact these various constituencies. As an integral part of the core curriculum, engaging in this course will allow the student to develop and demonstrate the core objectives of Critical Thinking, Communication Skills, Social Responsibility and Personal Responsibility.

- **Critical Thinking Skills** – including creative thinking, innovation, inquiry, and analysis, evaluation and synthesis of information. Case studies are used in this course to address complex issues that can arise during different phases of the audit process. Students are challenged to be innovative (e.g., use critical thinking skills) when encountering different conditions in the case studies.
- **Communication Skills** – including effective development, interpretation and expression of ideas through written, oral and visual communication. Course material and case studies used in this course contain realistic circumstances that can impact audit procedures and outcomes that require students to analyze information and communicate appropriate solutions.

- **Empirical and Quantitative Skills** – including the manipulation and analysis of numerical data or observable facts resulting in informed conclusions. The case studies used in this course require students to develop skills, related to collecting and manipulating data that will enable them to prepare recommendations and form conclusions.
- **Social Responsibility** – including intercultural competence, knowledge of civic responsibility, and the ability to engage effectively in regional, national, and global communities. Auditors have shared responsibility to the public as well as to the client. In the preparation of an audit opinion, the auditor makes a statement regarding a client's financial condition. Users of financial statements (including investors, creditors, government, etc.) rely heavily on the audit opinion, illustrating the social responsibility of the auditor. Class material and case studies used in this course critically examine the auditor's relationship between professional responsibility and social responsibility to society.

## LEARNING OBJECTIVES

When you complete this course, you should:

- Understand the professional responsibilities of CPAs in general
- Understand the audit process and audit reports
- Understand audit risk assessments, planning, and procedures
- Be able to apply the audit risk model
- Be able to research auditing standards
- Be able to identify fraud red flags

## METHODS OF INSTRUCTION

Lecture, discussion, and application through cases.

## CLASS WEBSITE

A class website will be maintained throughout the semester on Blackboard Learn (go to <http://www.unt.edu/> and click the link at the top for "Blackboard"). Class materials such as assignments, notes, etc. are available in Learn. I post grades on Learn, but note grades available in Learn are unofficial.

## COURSE TOPICS

Unit 1: Audit Fundamentals (chapters 1, 2, 19, 20)

- The Audit Process
- The Auditing Environment and Standards
- Ethics and Professional Conduct
- Legal Liability

Unit 2: Conducting an Integrated Audit (chapters 3, 4, 5, 6, 7)

- Planning, Materiality, and Risk Assessment
- Evidence and Documentation
- Auditing Internal Controls

Unit 3: Audit Testing, Audit Reports, and Fraud Risk Management (chapters 8, 9, 17, 18, 4)

- Audit Sampling
- Completing the Audit and Audit Reports
- Fraud Risk Management

## POINT DISTRIBUTION AND GRADING SCALE

Assessment	Points	Course Grade	Points Required
Exam 1	100	A	≥ 90% of total points
Exam 2	100	B	80-89% of total points
Exam 3 (Final Exam)	100	C	70-79% of total points
Team Cases	150	D	60-69% of total points
Individual Core Objective Assessment	40	F	< 60% of total points
Individual Assignments	40		
Professionalism	20		
<b>TOTAL</b>	<b>550</b>		

I use **mathematical rounding** to determine grades. For example, if your course grade is 447/500 (89.4%), your grade will be a B. **Your grade is completely based on your performance in this course.** Whatever grade you need to graduate, etc. is the result of your performance in prior classes and **is irrelevant to the grading process in this course.** When you take a class, **you are responsible** for all class requirements and your course standing.

## EXAMS

There will be three exams, including the final exam. All course material is fair game for exam content. Exam 1 covers Unit 1. Exam 2 covers Unit 2. Exam 3 (Final Exam) covers Unit 3 and any previous chapter(s) for which the class as a whole did not perform well on Exams 1-2. **Calculators** are not allowed for Exams 1 and 2. I will provide calculators for the Final Exam.

You may take a **makeup exam** under **extraordinary circumstances**, which I must **approve prior** to the exam you miss. To be eligible for a makeup exam, you must provide adequate documentation such as a doctor's excuse. For medical absences, I do not need to know the cause of the absence. Simply document you were under a doctor's care on the exam date, could not return to school until after the exam date, etc. **If I approve a makeup exam, you have two options:** (1) take the makeup exam during the **designated non-negotiable makeup time**; or (2) use a comprehensive final to make up the points. An unexcused absence on exam day or the makeup day will result in a zero grade that cannot be made up in any way.

## EXAM RETENTION

Exam are retained for one year following the completion of the semester; thereafter they will be destroyed.

## CASE SETS AND TEAMS

There will be six cases turned in throughout the semester. You will complete all cases in an **"audit team" of three students. You may select your teammates, and must submit a list of names on your team (one list per team).** If you do not join a team, I will assign you to a team. If your initial team selection has less than three students, I will assign additional classmate(s) to your team. I reserve the right to adjust team membership as needed. A brief description of the case sets follows:

1. Ethics and Professionalism in Auditing
  - Case 1-1: Accounting Scandal
  - Case 1-2: Audit Dilemma
  - Case 1-3: Independence
2. Risk Assessment and Planning
  - Case 2-1: Risk Assessment
  - Case 2-2: Planning Phase Analytical Procedures
  - Case 2-3: Substantive Tests and Documentation
3. Finalizing the Audit
  - Case 3-1: Misstatements
  - Case 3-2: Audit Negotiations
  - Case 3-3: Opinions and Finishing the Audit

## SUBMITTING TEAM ASSIGNMENTS

You must submit each case set in two formats:

1. Hard-copy (paper): The Case Set FAQs file on Learn (see the Team Case Sets folder) provides instructions and other relevant information on how to prepare case sets.
2. Turnitin: Turnitin is an online tool available to faculty at UNT to help detect academic misconduct. Students are required to submit written assignments for this class to Turnitin, a web-based plagiarism detection service. Before submitting your paper to Turnitin, please **remove your title page and other personal information**. Any paper that is not submitted to Turnitin prior to submission to the instructor will not be accepted by the instructor and will not be graded. You must submit your cases to Turnitin using Blackboard Learn. To do this, log on to Learn, enter our class page, and click the link for Course Content on the left. Once you are on the Course Content page, click to View/Complete the appropriate assignment, and begin the process of uploading your assignment. Only one team member should submit each case.

## INDIVIDUAL CORE OBJECTIVE ASSESSMENT

This **individual** case involves planning the audit of a hypothetical client, and is submitted both as a hard-copy and online in the same manner as the team cases. This assignment requires you to demonstrate the core objectives of critical thinking, communication skills, empirical and quantitative skills, and social responsibility.

## INDIVIDUAL ASSIGNMENTS

**Alchemy** is submitted in **hard-copy (paper) format** only. The other three individual assignments will be **submitted online**, using links I will provide.

1. **If You Need Love, Get a Puppy (Braun and Stallworth 2009):** A case about auditor independence and professional skepticism (5 points).
2. **PwC's Alchemy Case Deliverables:** Alchemy is a simulated internal controls audit. You are responsible for submitting your work on the Additional Deliverables Packet in class (10 points).
3. **Deloitte's Danle Case:** Auditing the client's reporting of a contingent liability (5 points).
4. **SEC Litigation Case** (5 points).
5. **Article Review** (5 points).
6. **Student Organization:** Attend and write up a one-paragraph-long summary of a student organization meeting (Beta Alpha Psi, NABA, ALPFA, ISACA/IIA/ACFE, or IMA) meeting. All write ups, are due one week after the event (10 points).

## LATE ASSIGNMENTS

Late assignments will **receive a zero** that cannot be made up in any way, unless you provide adequate documentation such as a doctor's excuse.

**Deadlines for the Team Case Sets, Individual Core Objective Assessment, and Individual Assignments** are:

- Turnitin Version (electronic version): **No later than thirty (30) minutes before class** on the due date.
- Hard-Copy (paper) Version: **Beginning of class** on the due date.

## PROFESSIONALISM

Your professionalism grade is based on the following components:

- **Participation:** Material contribution to class discussion throughout the semester in class. Prepare for each class and be ready to ask and answer questions. Coming to class and taking notes does not constitute participation. The use of cell phones and other electronic devices during class are disruptive to me and your class mates and are subject to point deductions. (10 points).
- **Punctuality.** I expect you to attend class and arrive on time for class. This means that you are seated when class begins and you remain in class, without coming and going. Similarly, if you make an appointment outside of office hours, you should either arrive on time or notify me in advance that you cannot attend on time (10 points).

## COMMUNICATING WITH THE INSTRUCTOR

I want to be responsive to you when you reach out to me for my assistance. If you will adopt the following suggestions, I will have a better chance of helping you in an effective and timely manner. **The best way to contact me is via email.**

- a. If you email me, do not assume that I received your email unless I confirm receipt. Please type "ACCT 4400" in the email subject line.
- b. When leaving me a phone message, please speak clearly and slowly and make certain to leave me a number and time when I can return the phone call.
- c. When you see me in my office, it will be helpful for you to remind me of your name and the course you are in.

## ACADEMIC DISHONESTY

Academic dishonesty will not be tolerated. Academic dishonesty includes cheating, plagiarism, forgery, fabrication, facilitating academic dishonesty, and sabotage. These actions are defined in the UNT academic integrity policy, available at [http://policy.unt.edu/sites/default/files/untpolicy/pdf/7-Student\\_Affairs-Academic\\_Integrity.pdf](http://policy.unt.edu/sites/default/files/untpolicy/pdf/7-Student_Affairs-Academic_Integrity.pdf)  
You can find additional information on academic integrity at <http://vpaa.unt.edu/academic-integrity.htm>.

Possible **penalties** for academic dishonesty include a **zero grade** for the assessment on which the student(s) engaged in academic dishonesty and **course failure**. The failure to return any part of an exam or scantron at any time you have these materials is an act of academic dishonesty that will at minimum result in a **grade of zero for that exam**.

Academic dishonesty on team assignments may result in penalties for all team members. Any grade reduction based on academic dishonesty cannot be made up.

## ACCEPTABLE STUDENT BEHAVIOR

Student behavior that interferes with an instructor's ability to conduct a class or other students' opportunity to learn is unacceptable and disruptive and will not be tolerated in any instructional forum at UNT. Students engaging in unacceptable behavior will be directed to leave the classroom and the instructor may refer the student to the Dean of Students to consider whether the student's conduct violated the Code of Student Conduct. The university's expectations for student conduct apply to all instructional forums, including university and electronic classroom, labs, discussion groups, field trips, etc. The Code of Student Conduct can be found at [www.deanofstudents.unt.edu](http://www.deanofstudents.unt.edu).

## **WITHDRAWALS**

University policy relative to withdrawals will be followed. You should consult with your academic advisor prior to withdrawing from or dropping this course and prior to the following dates if you are considering to drop this course:

**Friday, 10/2/2015:** Last day to drop a course or withdraw from the semester with a grade of W.

**Monday, 11/2/2015:** Last day for a student to drop a course with the consent of the instructor. W or WF may be assigned. I am not permitted to give you a W after November 2 even if I want to, so please be aware of the drop dates!

The Accounting Department strictly enforces university policy regarding **W/WF grades**. If you drop this course after the withdraw date, you must have a passing average (at least 60%) to receive a W grade; otherwise, you will receive a WF. It is your responsibility to be aware of and comply with all deadlines relating to withdrawals.

## **FINALS WEEK**

In the past, UNT has rearranged the final exam schedule due to inclement weather. You should consider this possibility when making end-of-semester travel arrangements.

## **DISABILITY ACCOMMODATIONS**

The College of Business complies with the Americans with Disabilities Act in making reasonable accommodations for qualified students with disabilities. If you wish to request such accommodations, please notify me as soon as possible so we can make arrangements. To obtain disability accommodations, **you must first go through the UNT Office of Disability Accommodation (ODA)**.

The ODA will give you a letter confirming your status. To receive accommodations, you must present this letter to me **at least one week in advance** of the first graded in-class assessment for which you wish to receive accommodations.

**Teaching Evaluations:** I am more interested in the feedback you provide as part of the teaching evaluation process than whether evaluations are conducted online, using paper and pencil, or both. I truly am interested in the feedback you provide and have made changes to this course based on student feedback.

**COURSE SCHEDULE**  
**ACCT 4400, Fall 2015, Section 002**

Day	Date		Topics	Class Preparation*
M	24-Aug	Ch. 1	Syllabus Introduction to Assurance and Financial Statement Auditing (Audit Process)	
W	26-Aug		Introduction to Assurance and Financial Statement Auditing (Audit Process)	Ch. 1: 1-24, 1-30
M	31-Aug	Ch. 2	Audit Environment and Standards	Ch. 2, <b>Team Lists</b>
W	2-Sept		Audit Environment and Standards	Ch. 2: 2-24 through 2-28
M	7-Sept		Labor Day – No class	
W	9-Sept	Ch. 19	Ethics & Professional Conduct	Ch. 19 <b>If You Need Love, Get a Puppy Q1(2), Q2(2)</b>
M	14-Sept		Ethics & Professional Conduct	Ch. 19: 19-28, 19-29, 19-31
W	16-Sept	Ch. 20	Legal Liability	Ch. 20 <b>Team Case Set 1</b>
M	21-Sept		Legal Liability Review for Exam 1	Ch. 20: 20-26, 20-31 Review Sheet
W	<b>23-Sept</b>		<b>Exam I</b>	<b>Ch. 1, 2, 19, 20</b>
M	28-Sept	Ch. 3	Planning, Tests, & Materiality	Ch. 3
W	30-Sept		Planning, Tests, & Materiality	Ch. 3: 3-27, 3-29
M	5-Oct	Ch. 4	Risk Assessment	Ch. 4
W	7-Oct		Risk Assessment	Ch. 4: 4-27, 4-31
M	12-Oct	Ch. 5	Evidence and Documentation	Ch. 5
W	14-Oct		Evidence and Documentation	Ch. 5: 5-31, 5-32, 5-33, 5-34 <b>Team Case Set 2</b>
M	19-Oct	Ch. 6	Internal Controls	Ch. 6
W	21-Oct	Ch. 7	Internal Controls	Ch. 6: 6-25 Ch. 7: 7-38, 7-39, 7-40
M	26-Oct		Internal Controls Review for Exam 2	<b>PwC's Alchemy Case</b> Review Sheet
W	28-Oct		<b>Exam II</b>	<b>Ch. 3, 4, 5, 6, 7</b>
M	2-Nov		Audit Sampling	Ch. 8
W	4-Nov		Audit Sampling	Ch. 8: 8-23, 8-27, 8-28 Ch. 9: 9-22 <b>Core Objective Assessment</b>
M	9-Nov	Ch. 17	Completing the Audit	Ch. 17 <b>Deloitte's Danle Case Q1</b>
W	11-Nov		Completing the Audit	Ch. 17: 17-22, 17-24
M	16-Nov	Ch. 18	Audit Reports	Ch. 18
W	18-Nov		Audit Reports	Ch. 18: 18-22, 18-23
M	23-Nov	Ch. 4	Fraud Risk Management	Ch. 4 (Part 2) Ch. 4: 4-29 <b>Team Case Set 3; Peer Review</b>
W	25-Nov		Fraud Risk Management	Deloitte's Fraud & Illegal Acts Case <b>SEC Litigation Case</b> <b>Article Review</b>
M	30-Nov		Fraud Risk Management	Deloitte's Fraud & Illegal Acts Case SEC Litigation Cases
W	2-Dec		Review for Final Exam	Review Sheet
M	<b>7-Dec</b>		<b>Final Exam</b>	<b>1:30 p.m. – 3:30 p.m.</b>

\* **Bold items to be turned in to the instructor**

\*\*\***SUBJECT TO CHANGE**\*\*\*