

University of North Texas
ACCT 5410 (3 hours): Audit – Investigative Process
Fall 2015
Dr. Robertson

Section	Time	Place
001	M 6:30pm-9:20pm	BLB 260
002	MW 3:30pm-4:50pm	BLB 225

Instructor: Jesse Robertson, Ph.D., CPA
BLB 385K
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Office Hours: Monday 5:00pm-6:00pm
Wednesday 2:30pm-3:30pm

Materials:

1. *Contemporary Auditing: Real Issues & Cases*. Knapp. 9th ed. 2013 (**Required**)
2. *Pearson Custom Resource: Accounting Cases*. (**Required**).
 - a. If you cannot obtain the custom case book, you need to purchase this book:
Auditing Cases: An Interactive Learning Approach. Beasley, Buckless, Glover, Prawitt. 2012. 5th ed.
3. An external audit textbook (**Recommended**)

Course Description and Prerequisite: The investigative process known as auditing is covered. Typical topics include professional issues, ethical responsibilities, the auditor's role in society, audit planning, the evaluation of evidence pertaining to internal controls, and account balances, and the auditor's consideration of fraud. Audit cases and short essays allow students to improve their technical auditing skills, their understanding of professional and ethical issues, and their understanding of current issues in practice. *Prerequisite:* ACCT 4400.

Class Website: A class website will be established and maintained throughout the course on **Blackboard Learn** (go to <http://cob.unt.edu/> and click the link at the top for "Blackboard Learn"). Notes, cases, etc. will be available on Blackboard. I also post grades on Blackboard. Please note that the grades available on Blackboard are unofficial.

Learning Objectives:

- Improve your technical auditing competence through class discussion and cases
- Improve your understanding of current issues in auditing
- Improve your critical thinking skills to better apply professional judgment
- Improve your ability to convey information through written and oral communications

Methods of Instruction: Discussion and application through cases and other active learning techniques.

Course Topics: This course explores current issues in auditing including professional (soft) skills, ethical responsibilities, professional skepticism, the auditor's role in society, audit planning, and the auditor's consideration of fraud.

Point Distribution:

<i>Team Assessments</i>	Points
Case Presentation	50
Cognitive Bias Presentation	30
Written Case 1	50
Written Case 2	50
<i>Individual Assessments</i>	
Professionalism	20
Reflection Paper 1	25
Reflection Paper 2	25
Exam 1	75
Exam 2	75
Final Exam	100
TOTAL	500

Cases and Audit Teams: We use cases to develop technical auditing knowledge and critical thinking skills, and to improve your understanding of professional issues, ethical issues, and current issues in auditing. Each audit team will be responsible for presenting one case during the semester and turning in write-ups of two other cases (a total of three graded cases per team). All graded team cases can be found in the Knapp (2013) and Beasley et al. (2012) case book/Custom Case book. You may choose your **initial audit team of 4-5 students**, but if you do not provide a list of the individuals on your team **during the first class meeting (one list per team)**, I will assign you to a team. Depending on final enrollment, I may assign extra team members or reassign students to different teams. Files providing guidance on presentations and preparing written assignments are available on Blackboard.

Cognitive Bias Presentation: Each team will be assigned a cognitive bias, and will make a presentation demonstrating how the assigned cognitive bias can influence an auditor's judgment.

Professionalism: Your professionalism grade is based on the following components:

- Material contribution to class discussion throughout the semester. Prepare for each class and be ready to ask questions and answer questions raised by your colleagues. Taking notes does not constitute participation (*10 points*).
- Not causing distraction through the use of electronics. You can use laptops, ipads, etc. to take notes, but the active use of audio recorders, cell phones and other electronic communication devices is prohibited without explicit approval from me. As a professional courtesy, **do not use electronic devices while teams are presenting or when guest speakers are talking to the class** (*5 points*).
- Professionalism of emails and appointments. You do not need an appointment during office hours. If you make an appointment outside of office hours, you should either arrive on time or notify me in advance if you cannot attend on time (*5 points*).

Reflection Papers (RP): Each student individually will write two RPs throughout the semester. The objectives of the RPs are to improve your critical thinking skills, your understanding of current issues in auditing, and your writing ability. The RP Assignments and Written Assignment Instructions files on Blackboard Learn provide more information.

- *RP1: The Biggest Threat to Auditor Independence.* Explain what the threat is, why it is a threat, and propose a solution to address the threat.
- *RP2: Audit Quality Indicators.* The PCAOB is seeking comment on the possibility of using audit quality indicators (AQI). For each of the three categories of audit performance (Audit Professionals, Audit Process, and Audit Results), develop a quantitatively measurable AQI and explain why each measure is beneficial to the goal of improving audit performance.

Submitting Written Assignments: You must submit the two team written cases and the two reflection papers in two formats:

1. Hard-copy: The “Written Assignments Instructions.docx” file on Blackboard provides instructions on how to format printouts and other relevant information.
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 Blackboard, 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.

Exams: There will be a three exams, including a comprehensive final exam. Any course material is fair game for exam content, including background notes and reading assignments that we might not explicitly discuss in class. 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 the final exam 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: Exams will be retained for one year following the completion of the semester and then destroyed.

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.

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. All deadlines are the beginning of class on the due date unless otherwise noted. This policy applies to both individual and team assignments.

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. 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 assignment, project, exam, etc. 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 misconduct 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 in any way.

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.

Withdrawals: The Accounting Department strictly enforces university policy regarding **W/WF grades**. It is your responsibility to be aware of and comply with any university, college, and departmental deadlines relating to withdrawals.

Disability Accommodations: UNT 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 or by using paper and pencil. I truly am interested in the feedback you provide.

TENTATIVE SCHEDULE: ACCT 5410 sections 001 & 002

M 6:30 p.m. – 9:20 p.m.

MW 3:30 p.m. – 4:50 p.m.

Week of	Topic	Preparation¹
8/24	Introduction; Audit Fundamentals	Read Day 1 Background Knowledge file <u>Student Information Sheet (online)</u> ² Beasley 1.1/Ocean Manufacturing
8/31	The Auditor & Society	Readings in PPT, Knapp 1.1, 1.12 <u>RPI</u>
9/7	<i>Labor Day Holiday</i> ; TBA	
9/14	Professional Issues: The Firm	<u>Knapp 7.1</u> , 7.6, Beasley 4.6/Phar-Mor (Q1-Q5)
9/21	Professional Issues: The Individual	Knapp 6.1, 6.3, 6.4, 6.6
9/28	<i>Guest Speakers from Crowe Horwath</i> Auditor Independence Exam 1 Review	Knapp 5.2
10/5	<u>Exam 1</u> Cognitive Biases Discussion	Study
10/12	Cognitive Bias Presentations	Cognitive Bias Presentations
10/19	Risk Assessment & Materiality	Beasley 7.1/Anne Aylor, 2.2/Dell, 6.2/Jacksonville Jaguars (A only) Readings in PPT <u>RP2</u>
10/26	Fraud	Knapp 1.6, 1.8, 1.9 whitecollarfraud.com as referenced in PPT Psychology of Fraud (NPR)
11/2	Professional Skepticism <i>Guest Speaker from CliftonLarsonAllen</i>	<u>Knapp 2.3 (Team)</u> , 6.5, Beasley 4.7/Satyam
11/9	Internal Controls Exam 2 Review	Beasley 5.6/Sarbox Scooter, Knapp 3.5 Ball Corp. SEC Enforcement
11/16	<u>Exam 2</u>	Study <u>Peer Review (online)</u> ³
11/23	Ethical Responsibilities of Accountants	Knapp 4.1, 4.2, 4.5, 4.7
11/30	Ethical Responsibilities of Auditors	Knapp 5.3, 5.4, 5.6
12/1	Overflow & Final Exam Review	
12/8	<u>Final Exam</u> (M Night): 6:30pm – 8:30pm	
12/10	<u>Final Exam</u> (MW): 1:30pm – 3:30pm	

¹ Items in **bold italics underlined** are to be submitted to the professor. **RPs and Written Team Cases are due at the beginning of class on Monday of the week these items are due.**

²The student information sheet is due Wednesday, August 26 at 11:59pm.

³ The peer review is completed individually, and is due Wednesday, November 18 at 11:59pm. I will provide a link you will use to complete the peer review closer to the due date.