

ACCOUNTING 5450.001
SEMINAR IN INTERNAL AUDITING
SPRING 2016
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OFFICE HOURS: Monday - 12:30 -2:30 and 5:00-5:30 p.m, Wednesday 30 minutes after the end of the ACCT 5450 class, and by appointment. I have an open door policy, please stop by at any time. Please leave a message if I am not in my office.

COURSE OBJECTIVES

The course is designed to develop an understanding and appreciation for the audit function with an emphasis on internal auditing. The audit function as performed by both internal and external auditors is quite similar. Evidence is gathered for the purpose of arriving at a report distributed to interested parties. The major distinctions lie in the depth and breadth of audit involvement by each group. Also, the standards applied by internal and external auditors differ to a certain degree. The class will examine the difference between internal and external auditing focusing on such issues as independence, audit scope, reporting, and relations with auditee personnel. The format of the course will be discussion, case analysis, and guest speakers from the internal auditing profession. Emphasis throughout the course will be placed on discussion and class participation. In order to provide meaningful input into class discussions and case analysis, you must be thoroughly prepared prior to each class meeting.

COURSE PREREQUISITES

ACCT 4100 and 4400.

TEXTBOOK AND READINGS

Reding, Kurt F., Paul J. Sobel, Urton L. Anderson, Michael J. Head, Sridhar Ramamoorti, Mark Salamasick, and Chis Riddle. 2013. *Internal Auditing: Assurance and Consulting Services*. Second or third edition. Altamonte Springs, FL: Institute of Internal Auditors Research Foundation.

Review Manual set for the Certified Internal Audit Exam. (Recommended)

Readings and memberships will also be assigned. Readings will either be available in Willis Library, on the internet, or from the IIA.

MEMBERSHIPS

To obtain full access to the IIA readings, you will need to join the IIA as a student (\$35). This will give you full access to both *Internal Auditor* readings and the International Professional Practices Framework (IPPF). It will also allow you to join a local IIA chapter (Dallas or Ft. Worth) at no additional cost. Joining the IIA is a requirement of the course.

You may want to create an account in Knowledge Leader. Through the generosity of Protiviti, we have been granted complimentary access to Knowledge Leader. We are very fortunate as this access has a value in excess of \$7,000. I will distribute the access information separately.

GRADING

Your final grade in this course will be determined from your performance on two exams, the internal audit project, a case, the topical presentation, and participation. Your grade will be determined as follows:

| | <u>Points</u> |
|--|---------------|
| Exams | 300 |
| Written Case | 40 |
| Internal Audit Project Report | 100 |
| Signature/Non-disclosure agreement | 10 |
| Peer Evaluation (due with IA Project) | 10 |
| Current Topic Team Presentation (April - in class) | 25 |
| <u>Participation/Professionalism</u> | <u>25</u> |
| Total | 510 |

Grades of 90, 80, 70 and 60% of the above 510 points will guarantee grades of A, B, C, and D, respectively.

TEAM PEER REVIEW

One of the ACCT 5450 class assignments is a “live” internal audit project. Your class will complete an internal audit of the UNT Student Investment Group this semester. I will be placing you in teams for the live audit and for in class activities. You are expected to work cooperatively and diligently with your team members. A large portion of your project points are based on your peer evaluation.

CASE

Case discussion and analysis will comprise a portion of the course. We will have both in-class and out-of-class case assignments. You will be required to hand in one case worth 40 points. This cases must be typed and well-written. Please submit a double-spaced paper copy of the assignment. Reference pages should be single spaced to be consistent with the Chicago style. You should have one-inch margins, use a 12-point font for the text, print on only one side of the page, and number all pages after the cover sheet. Page length requirements exclude the cover sheet, references, photos, and appendices. Paper copies are due at the beginning of class. No late cases will be accepted. Maximum case length and case requirements will be announced in class.

You may substitute a submission to the IIA Esther R. Sawyer Research Manuscript Award for your written case assignment. I will then submit all exemplary manuscript submissions to the IIA for consideration. If your submission is selected by the IIA as the winner of the Ester R. Sawyer Research Award, you will receive up to \$5,000 from the IIA and an “A” for both a case and an exam grade. You will also receive registration and travel expenses to attend The IIA International Conference (in New York City!). The deadline to submit your manuscript to me is February 20. More information can be found at the following website:

<https://na.theiia.org/iia/Pages/Esther-R-Sawyer-Research-Award.aspx>

OPTIONAL ACTIVITIES

You may elect to participate in the following optional activities:

Dallas IIA monthly meeting (brief writeup), Ft. Worth IIA monthly meeting (brief writeup); COB Career and Internship Fair or the Department of Accounting Meet the Firms Night (brief writeup); ISACA/IIA/ACFE student organization meetings (brief writeup of each meeting-you must attend three meetings); ISACA Etiquette Luncheon (brief writeup); Dallas or Ft. Worth IIA all day seminars (brief writeup); or read Dan Ariely’s book *The Honest Truth About Dishonesty* (must discuss the book with the instructor for points). A very brief writeup must be submitted as documentation of participation for each activity. Writeups are due no later than two weeks after the event. Points for optional activities will not be accepted after April 20. Each completed activity is worth five points. Twenty points maximum per student are possible, no duplications.

IMPORTANT INFORMATION

After the automatic W drop date, if you wish to withdraw from the course, you must have earned at least a 60% average on all work to date, in order to receive a grade of W (withdrawal/pass).

INTERNAL AUDIT PROJECT REPORT

You will participate in an audit with the Dallas and Ft. Worth Chapters of the Institute of Internal Auditors. This audit will include planning, problem analysis, development and application of audit procedures, and submission of a final audit report. This will be a team project with consultation by an Audit Manager or CAE from the Dallas or Ft. Worth IIA Chapters. There are 100 points allocated to this project. Fifty (50) of the points will be common to each team member and will be based on the written report. The other 50 points will be based on the confidential input provided by team members. Further information on this assignment will be provided in class.

Items to be included in your final report (due May 4):

Opening Conference Agenda - Due February 17

Engagement Letters - Due February 17

a.) Client (provide evidence of delivery)

b.) IIA Chapter Professional (provide evidence of delivery)

Process Map (Flowchart) - Due March 30

Risk/control map - Due March 30

Risk/control matrix - Due March 30

Audit/Engagement Program - Due March 30

Three lines of defense report - Due May 4

Working Papers - Due May 4

Control deficiencies and recommendations - Due May 4

Closing conference agenda and notes - Due May 4

Time log for each participant - Due May 4

Written report to client (copy in packet to instructor) - Due May 4

Notes regarding client closing meeting - Due May 4

Final written report - Due May 4

Group presentation and complete report due on May 4. Interim reports must also be included with the final report. You may only change interim reports with prior approval from your instructor.

EXAMS

There will be three exams this semester. Each exam will count as 150 points. Your best two of the three exams will be used to calculate your grade. As an alternative, you can receive exam credit for successfully completing specific parts of the CIA exam. If you pass parts one or two of the CIA exam, you will receive 150 exam points. (This is equivalent to getting an "A+" on one exam!) CIA exam parts must be completed between January 20, 2016 and May 10, 2016 for course credit.

I will collect the exams taken in class and keep them on file in my office. If questions arise later regarding grades, all exams papers will be available for your review. A missed exam will count as a zero (0) unless there is a documented, university accepted, excuse for missing the exam. Grade appeals must be presented in writing (typed, memorandum format). Note: Only a simple calculator may be used during tests.

ADA STATEMENT

The University of North Texas is on record as being committed to both the spirit and letter of federal equal opportunity legislation; reference Public Law 92-112 – The Rehabilitation Act of 1973 as amended. With the passage of new federal legislation entitled Americans with Disabilities Act of 1990 (ADA) as amended, pursuant to section 504 of the Rehabilitation Act, there is renewed focus on providing this population with the same opportunities enjoyed by all citizens.

As a faculty member, I am required by law to provide "reasonable accommodations" to students with disabilities, so as not to discriminate on the basis of that disability. Student responsibility primarily rests with informing faculty of their need for accommodation and in providing authorized documentation through designated administrative channels. Information regarding specific diagnostic criteria and policies for obtaining academic accommodations can be found at www.unt.edu/oda. Also, you may visit the Office of Disability Accommodation or call (940) 565-4323. If you need an accommodation, please contact me as soon as possible but at the latest by the second week of class.

ACADEMIC DISHONESTY

Students caught cheating or plagiarizing will receive a zero for that particular assignment or exam. Additionally, the incident will be reported to the Dean of Students, which may impose further penalty. According to the UNT catalog, the term "cheating" includes, but is not limited to: a. use of any unauthorized assistance in taking quizzes, tests, or examinations; b. dependence upon the aid of sources beyond those authorized by the instructor in writing papers, preparing reports, solving problems, or carrying out other assignments; c. the acquisition, without permission, of tests or other academic material belonging to a faculty or staff member of the university; d. dual submission of a paper or project, or re- submission of a paper or project to a different class without express permission from the instructor(s); or e. any other act designed to give a student an unfair advantage. The term "plagiarism" includes, but is not limited to: a. the knowing or negligent use by paraphrase or direct quotation of the published or unpublished work of another person without full and clear acknowledgment; and b. the knowing or negligent unacknowledged use of materials prepared by another person or agency engaged in the selling of term papers or other academic materials.

SPOT

Student feedback is important and an essential part of participation of this course. The Student Perception of Teaching (SPOT) is a requirement for all organized classes at UNT. This short survey will be made available at the end of the semester to provide you with an opportunity to evaluate how this course is taught.

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.unt.edu/csrr. You may not record class or guest speakers. You may not use laptop computers, tablets, or cell phones during class.

EMERGENCY NOTIFICATION & PROCEDURES

UNT uses a system called Eagle Alert to quickly notify you with critical information in the event of an emergency (i.e., severe weather, campus closing, and health and public safety emergencies like chemical spills, fires, or violence). The system sends voice messages (and text messages upon permission) to the phones of all active faculty staff, and students. Please make certain to update your phone numbers at www.my.unt.edu. Some helpful emergency preparedness actions include: 1) ensuring you know the evacuation routes and severe weather shelter areas, determining how you will contact family and friends if phones are temporarily unavailable, and identifying where you will go if you need to evacuate the Denton area suddenly.

ABSENCES

Absences due to participation in sponsored activities must be approved in advance by department chairs and academic deans. Within three days after the absence, students must obtain authorized absence cards from the Dean of Students for presentation to their instructors. Students with authorized absence cards may make up the work missed, when practicable, or be given special allowance so that they are not penalized for the absence.

Absences due to other causes, such as illness, emergency, death in the family, etc. are termed "excused" or "not excused" at the discretion of the instructor, but in accordance with applicable absence policies set by the department/division, school, college, or the course syllabus. Students should show proof that the absence was unavoidable, such as a physician's statement, accident report, obituary, etc., and contact the instructor. (Note: The Student Health Center provides cards that verify the date and time of a student's visit. Hospitalized patients are given a form showing the inclusive dates of their hospitalization.)

In accordance with state law, students who are absent due to the observance of a religious holiday may take examinations or complete assignments scheduled for the day missed within a reasonable time after the absence. Travel time required for religious observances shall also be excused. Only holidays or holy days observed by a religion whose place of worship is exempt from property taxation under Section 11.20 of the Tax Code may be included.

RETENTION OF STUDENT RECORDS


Student records pertaining to this course are maintained in a secure location by the instructor of record. All records such as exams, answer sheets (with keys), and written papers submitted during the duration of the course are kept for at least one calendar year after course completion. Course work completed via the Blackboard online system, including grading information and comments, is also stored in a safe electronic environment for one year. You have a right to view your individual record; however, information about your records will not be divulged to other individuals without the proper written consent. You are encouraged to review the Public Information Policy and F.E.R.P.A. (Family Educational Rights and Privacy Act) laws and the university's policy in accordance with those mandates at the following link: <http://essc.unt.edu/registrar/ferpa.html>

SUCCEED AT UNT

UNT endeavors to offer you a high-quality education and to provide a supportive environment to help you learn and grow. And, as a faculty member, I am committed to helping you be successful as a student. Here's how to succeed at UNT: Show up. Find support. Take control. Be prepared. Get involved. Be persistent. To learn more about campus resources and information on how you can achieve success, go to success.unt.edu.

Spring 2016 - Accounting 5450.001 - Schedule

| WEEK | DATE | TOPIC(S) |
|------|-------------|--|
| 1 | January 20 | Introduction to Internal Auditing |
| 2 | January 27 | International Professional Practices Framework (IPPF) / Governance |
| 3 | February 3 | UNT Student Investment Group Audit Project Presentation |
| 4 | February 10 | Control Frameworks / Risk Management / Business Processes and Risk / Audit Risk |
| 5 | February 17 | ERM/Internal Control |
| 6 | February 24 | Exam 1 |
| 7 | March 2 | Audit Engagement Planning / Organizational Planning |
| 8 | March 9 | Teammate Audit Analytics - hands on presentation |
| 9 | March 16 | SPRING BREAK! |
| 10 | March 23 | Evidence / Working Papers Case due |
| 11 | March 30 | Communication / Follow up |
| 12 | April 6 | Exam 2 |
| 13 | April 13 | Sustainability Audit / Consulting Engagement / Audit BYOD / Fraud (Current Topic Team presentations) |
| 14 | April 20 | IIRC-Integrated Reporting / Three Lines of Defense / Cloud Audit / Cybersecurity (Current Topic Team Presentations) |
| 15 | April 27 | Protiviti/BNSF Present |
| 16 | May 4 | UNT Student Investment Group Audit Project Presentations |
| 17 | May 11 | Final Exam (cumulative and comprehensive) |

 Dates and assignments are tentative and subject to change. Changes will be announced in class. This syllabus does not constitute a contract.