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Joslin Endowed Chair in Accounting & Regents Professor
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Fax: (361) 825-5609 (ofc)
Mobile: (361) 658-1925
E-mail: donald.deis@tamucc.edu
Office Hours: 2:00-4:00 TW or by appointment

Required Books & Materials:
3. Wiley CPAexcel® AUD CPA Exam Review course (free)
4. Checkpoint® electronic online search engine: AICPA, FASB, and GASB literature (through TAMUCC Library business databases)
5. Blackboard (Bb)

Useful websites:
PCAOB http://pcaobus.org/Standards/Auditing/Pages/ReorgStandards.aspx
IAASB https://www.ifac.org/auditing-assurance/clarity-center/clarified-standards
GAO: http://www.gao.gov/yellowbook/overview

Recommended:
A recent edition of an auditing textbook such as Louwers et al. or Arens et al. as a reference for working on cases.

Prerequisites: Accounting Foundation Courses or their equivalent.

COURSE DESCRIPTION AND OBJECTIVES
This graduate course is designed to (1) broaden and deepen your conceptual and technical understanding of the CPA’s attest function and (2) provide you with a framework for analyzing contemporary auditing and assurance issues. You will develop your expertise on audit and assurance issues by reading and discussing current academic and professional literature, and by analyzing auditing case studies. The cases will enhance your understanding of (1) the current auditing environment and the auditor’s role and responsibilities for financial reporting quality, (2) the critical role that ethics, professional judgment, and knowledge of the client’s internal controls, business, and industry play in an effective audit, and (3) the procedures and tools available to the auditor to perform an effective audit.
Specific Skill Development
The course will help you:
1. Improve your analysis, problem-solving, research, and decision-making skills.
2. Develop the skills, competencies, and points of view accounting professionals require.
3. Understand and appreciate the role of the economic, regulatory, and technology environment in auditors’ decision making (i.e., seeing the big picture).
4. Learn to find and use resources (reference materials, data, and information sources) to solve problems.
5. Develop your abilities and skills in working with others as a team.
6. Develop skills in expressing yourself, an idea, or point of view – both orally and in writing.
7. Developing your ethical principles to guide ethical decision making.
8. Analyze and critically evaluate ideas, arguments, and points of view.
9. Discuss the latest trends in auditing and assurance services
10. Conduct and evaluate auditing research at the basic level

Relationship to Other Coursework. Effective auditing involves developing an understanding of the client's business and industry, evaluating internal control, using judgment, and obtaining and evaluating evidence as a basis for the audit report. Auditing is an interdisciplinary field and has its foundations in other disciplines including ethics, marketing, economics, business law, statistics, accounting, and information systems. A background in these subjects provides the student with the tools to better understand the material covered in the course.

Instructional Methodology. Lecture, student lead class discussion, in-class group discussion and analyses of cases, writing assignments, research of professional accounting and auditing literature, research using financial and audit databases used in the practice of accounting.

Performance Evaluation and Grading. Student performance will be evaluated based upon the following:

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<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Points</th>
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<tbody>
<tr>
<td>1</td>
<td>Bb introduction and syllabus quiz</td>
<td>30</td>
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<tr>
<td>2</td>
<td>Two weekly case analysis, 14 cases—count best 10 @ 20 pts each</td>
<td>200</td>
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<td>3</td>
<td>8 Weekly Wiley CPAexcel quizzes – drop lowest</td>
<td>70</td>
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<td>4</td>
<td>Alpine Cupcakes Audit case study – Audit of Cash (5 assignments)</td>
<td>100</td>
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<tr>
<td>5</td>
<td>Final Capstone Case analysis *(Case 9.5 Morris Mining) – as final exam</td>
<td>100</td>
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<td>TOTAL</td>
<td>500</td>
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A letter grade will be determined based on the percentage earned of total points possible, as follows: A: 450 and above; B: 400-449; C: 350-399; D: 300-346; F: <300.

No late work will be accepted. Do to the nature of the assignments no late work will be accepted.

(1) Case analysis - submit a case analysis to the instructor by electronic means to: Donald.Deis@tamucc.edu. Key thoughts in preparing the final case write-up:
   a. Answer case questions
   b. Determine the relevant facts
   c. Research these issues in the auditing and professional standards literature
   d. State conclusions, with citation of authoritative support for those conclusions
e. If appropriate, indicate areas of controversy or concern

(2) Capstone Case: Prepare analysis of the capstone case Case 9.5 Morris Mining.

Other Useful Web Sites
Professional Organizations:
American Accounting Association (AAA) http://aaahq.org
AAA Auditing Section: http://aaahq.org/audit/index.htm
American Institute of Certified Public Accountants (AICPA) http://www.aicpa.org
Public Company Accounting Oversight Board (PCAOB) http://www.pcaobus.org
Institute of Internal Auditors (IIA) http://www.theiia.org/iia/index.cfm
Financial Accounting Standards Board (FASB) http://www.fasb.org (full text of SFAS available for free)
Committee of Sponsoring Organizations of the Treadway Committee (COSO) http://www.coso.org
International Auditing and Assurance Standards Board (IAASB) http://www.ifac.org/IAASB/
(A free PDF file of international auditing standards)
Association of Certified Fraud Examiners (ACFE) http://www.acfe.com/
CPA Exam Update http://www.cpa-exam.org/

Major CPA Firms:
PricewaterhouseCoopers (PwC) http://www.pwc.com/us/en
Ernst & Young http://www.ey.com
KPMG http://www.kpmg.com
Grant Thornton http://www.grantthornton.com
BBD LLP. http://www.bkd.com/
BDO Seidman http://www.bdo.com/home.asp
McGladrey & Pullen http://www.mcgladrey.com/
Crowe http://www.crowechizek.com/CC/home.html
Moss-Adams http://www.mossadams.com/
Melton & Melton http://www.melton-melton.com/
Pannell, Kerr, Forster (PKF) http://www.pkf.com/

Attendance Policy. This is an online class. You are expected to review announcements in Blackboard on a daily basis and also your islander email for communications about this course.

Oral and Written Communication Content:
Auditing involves many judgment areas and classroom learning is enhanced by active discussion of the issues. Students are expected to carefully study and research professional accounting and auditing standards to prepare professional technical memos similar to what is done in practice. Auditing questions frequently do not have one correct answer. Therefore students should be prepared to defend the conclusions they reach.

Technology Applications:
To have a successful accounting career you must be able to research professional standard databases and apply the proper standard to the fact situation. The CPA exam also requires you to research electronic databases in answering “task-based” questions. We will use two internet-based research tools to develop informed answers to auditing issues in this course:
RIAA **Checkpoint**: electronic database of accounting and auditing standards: TAMUCC Library. [http://rattler.tamucc.edu](http://rattler.tamucc.edu) under “Find” select “Databases” click “Business and Economics” then select “Checkpoint (RIA)” – up to 25 concurrent users. NOTE: The new “clarified” AU-C AICPA auditing standards became effective for financial statement periods ending on or after December 15, 2012. The clarified standards were issued to converge U.S. auditing standards with international auditing standards and to provide a consistent structure within the standards themselves. To distinguish the clarified standards from the “old” standards, each standard contains an “AU-C” identifier instead of “AU.” **In this course we will use the AU-C clarified standards.** PCOAB auditing standards can be accessed from PCOAB’s website: [www.pcaobus.org](http://www.pcaobus.org) (under the “Standards” tab).

Although we will primarily use the auditing standards in Checkpoint (RIA), there may be instances where the FASB and GASB standards may be needed. FASB standards can be accessed through Checkpoint (RIA) or Academic Accounting Access to FASB Accounting Standards Codification: [http://aaahq.org/ascLogin.cfm](http://aaahq.org/ascLogin.cfm)

- Username: AAA51324
- Password: (up to 25 concurrent users)
- access period: 9/1/2016 to 8/31/2017.

**Ethical Perspectives:**
Auditors routinely encounter situations that require the application of ethics and the Code of Professional Conduct. [AICPA Code of Professional Conduct](http) & [Texas Administrative Code](http).

**Global Perspectives:**
The globalization of many audit clients raises the issue of international accounting and auditing standards and practices. The discussion of international issues is limited to a discussion of reports on financial statements prepared for use in other countries.

**Demographic Diversity Perspectives:**
This course will not specifically address the issue of demographic diversity.

**Political, Social, Legal, Regulatory, and Environmental Perspectives:**
A portion of the course will address the auditor's legal liability and the impact of regulatory bodies on the auditor and on the audit scope. Coverage of political, social, and environmental issues will be limited.

**Academic Integrity/Plagiarism.**
University students are expected to conduct themselves in accordance with the highest standards of academic honesty. Academic misconduct for which a student is subject to penalty includes all forms of cheating, such as illicit possession of examinations or examination materials, falsification, forgery, complicity or plagiarism. (Plagiarism is the presentation of the work of another as one’s own work.) **In this class, academic misconduct or complicity in an act of academic misconduct on an assignment or test will result in a grade of “0” for the first instance and an “F” in the course on the second instance. Please note that case write-ups (both rough draft and final write-ups) will receive a grade of 0 if they are plagiarized. Do not resort to using internet sources that provide case solutions (e.g., [www.megaessays.com](http://www.megaessays.com), [www.directessays.com](http://www.directessays.com), etc.).**
Dropping a Class
I hope that you never find it necessary to drop this or any other class. However, events can sometimes occur that make dropping a course necessary or wise. Please consult with me before you decide to drop to be sure it is the best thing to do. Should dropping the course be the best course of action, you must initiate the process to drop the course by going to the Student Services Center and filling out a course drop form. Just stopping attendance and participation WILL NOT automatically result in your being dropped from the class. **November 11 is the last day to drop** a class with an automatic grade of “W” this term. **December 5 is the last day to withdraw from the University.**

Classroom/professional behavior
Texas A&M University-Corpus Christi, as an academic community, requires that each individual respect the needs of others to study and learn in a peaceful atmosphere. Under Article III of the Student Code of Conduct, classroom behavior that interferes with either (a) the instructor’s ability to conduct the class or (b) the ability of other students to profit from the instructional program may be considered a breach of the peace and is subject to disciplinary sanction outlined in article VII of the Student Code of Conduct. Students engaging in unacceptable behavior may be instructed to leave the classroom. This prohibition applies to all instructional forums, including classrooms, electronic classrooms, labs, discussion groups, field trips, etc.

Statement of Civility (can be in place of classroom/professional behavior)
Texas A&M University-Corpus Christi has a diverse student population that represents the population of the state. Our goal is to provide you with a high quality educational experience that is free from repression. You are responsible for following the rules of the University, city, state and federal government. We expect that you will behave in a manner that is dignified, respectful and courteous to all people, regardless of sex, ethnic/racial origin, religious background, sexual orientation or disability. Behaviors that infringe on the rights of another individual will not be tolerated.

Grade Appeals
As stated in University Procedure 13.02.99.C2.01, Student Grade Appeal Procedures, a student who believes that he or she has not been held to appropriate academic standards as outlined in the class syllabus, equitable evaluation procedures, or appropriate grading, may appeal the final grade given in the course. The burden of proof is upon the student to demonstrate the appropriateness of the appeal. A student with a complaint about a grade is encouraged to first discuss the matter with the instructor. For complete details, including the responsibilities of the parties involved in the process and the number of days allowed for completing the steps in the process, see University Procedure 13.02.99.C2.01, Student Grade Appeal Procedures. These documents are accessible through the University Rules Web site at [http://www.tamu.cc/provost/university_rules/index.html](http://www.tamu.cc/provost/university_rules/index.html). For assistance and/or guidance in the grade appeal process, students may contact the Dean’s office in the college in which the course is taught or the Office of the Provost.

Disabilities Accommodations
The Americans with Disabilities Act (ADA) is a federal anti-discrimination statute that provides comprehensive civil rights protection for persons with disabilities. Among other things, this legislation requires that all students with disabilities be guaranteed a learning environment that provides for reasonable accommodation of their disabilities. If you believe you have a disability requiring an accommodation, please call or visit Disability Services at (361) 825-5816 in Corpus Christi Hall 116. If you are a returning veteran and are
experiencing cognitive and/or physical access issues in the classroom or on campus, please contact the Disability Services office for assistance at (361) 825-5816.

**Statement of Academic Continuity**

In the event of an unforeseen adverse event, such as a major hurricane and classes could not be held on the campus of Texas A&M University–Corpus Christi; this course would continue through the use of Blackboard and/or email. In addition, the syllabus and class activities may be modified to allow continuation of the course. Ideally, University facilities (i.e., emails, web sites, and Blackboard) will be operational within two days of the closing of the physical campus. However, students need to make certain that the course instructor has a primary and a secondary means of contacting each student.

**Code of Ethics**

This course, and all other courses offered by the College of Business (COB), requires all of its students to abide by the COB Student Code of Ethics (available online at www.cob.tamucc.edu). Provisions and stipulations in the code are applicable to all students taking College of Business courses regardless of whether or not they are pursuing a degree awarded by the COB.

**Islander Email Accounts**

Go to http://newuser.tamucc.edu you will be asked for you student ID number (not your SSN). If you do not know your student ID, go to S.A.I.L. on TAMUCC homepage and follow instructions. For more info call 825-5618.

**Other Helpful University Services**

University Counseling Center, 825-2703, Driftwood 107
University Health Center, 825-2601, Sandpiper Building

**Political, Social, Legal, Regulatory, and Environmental Perspectives.** A portion of the course will address the auditor's legal liability and the impact of regulatory bodies on the auditor and on the audit scope. Coverage of political, social, and environmental issues will be limited.

**Assurance of learning goal for this course.** The College of Business is accredited by the Association of Advance Collegiate Schools of Business. One requirement of that accreditation is that specific learning goals be integrated into the curricula. The specific goal for this course is: "Students will recognize ethical and governance issues and resolve these in a socially responsible manner." Certain course assignments will be used to assess progress toward this goal.

**OTHER HELPFUL UNIVERSITY SERVICES**

University Counseling Center, 825-2703, Driftwood 107
University Health Center, 825-2601, Sandpiper Building

**COURSE SUBJECT TO CHANGE AT INSTRUCTOR’S DISCRETION**
<table>
<thead>
<tr>
<th>Week # (Refer to Bb for specific due dates)</th>
<th>Module</th>
<th>Assignments:</th>
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<tbody>
<tr>
<td></td>
<td></td>
<td>Bb: Blackboard</td>
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<tr>
<td></td>
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<td>B: Beasley Cases</td>
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<td>A: Alpine Cupcakes</td>
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<td>C: CPAexcel® quiz</td>
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<td>(1)</td>
<td>Professional Judgment &amp; Ethics</td>
<td>Personal introduction in Bb &amp; syllabus quiz in Bb</td>
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<td>B: Introduction</td>
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<td>B: 3.3 Anonymous Caller</td>
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<td>C: Quiz 1</td>
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<td>(2)</td>
<td>Legal Liability Audit Reports</td>
<td>PBS Frontline Video in Bb “How to Steal $500 Million”</td>
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<td>B: 4.6 Phar-Mor</td>
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<td>B: 12.5 Murchison Technologies</td>
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<td>C: Quiz 2</td>
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<td>(3)</td>
<td>Audit Planning Materiality</td>
<td>B: 2.4 Asher Farms</td>
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<td>B: 7.1 Anne Aylor</td>
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<td>A: Cash Q1</td>
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<td>C: Quiz 3</td>
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<td>(4)</td>
<td>Risk Assessment Internal Controls</td>
<td>B: 5.1/5.2 Simply Steam/Easy Clean (class will be split)</td>
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<td>B: 5.3 Red Bluff Inn &amp; Café</td>
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<td>A: Cash Q2</td>
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<td>C: Quiz 4</td>
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<td>(5)</td>
<td>Audit Sampling Audit Evidence</td>
<td>B: 9.6 Hooplah Inc.</td>
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<td>B: 9.1 Wally’s Billboard &amp; Sign Supply</td>
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<td>A: Cash Q3</td>
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<td>C: Quiz 5</td>
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<td>(6)</td>
<td>Fraud Assurance Services</td>
<td>PBS Frontline Video: “Bigger than Enron” in Bb</td>
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<td>B: 4.1 Enron and Andersen</td>
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<td>B: 12.6 Going Green</td>
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<td>A: Cash Q4</td>
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<td>C: Quiz 6</td>
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<td>(7)</td>
<td>Auditing Estimates Completing the Audit Reviewing Documentation</td>
<td>B: 9.7 Redpack Beer Company</td>
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<td>B: 12.1 Eyemax Corporation</td>
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<td>A: Cash Q5 (Memo)</td>
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<td>C: Quiz 7</td>
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<tr>
<td>(8)</td>
<td>Final Capstone Case</td>
<td>B: 9.5 Morris Mining</td>
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