Texas A&M University-Corpus Christi  
College of Business  
Course Syllabus for Advanced Audit & Assurance Services

Course number: ACCT 5341  
Instructor: Donald R. Deis, Ph.D., CPA, CFE  
Semester: Fall 2017  
Office: OCNR 387  
7 weeks: 8/28/ to 10/13/2017  
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Course Description
This course is designed as a discussion-based seminar and case analysis to provide graduate students with an understanding of auditing theory, practice, and research methods. This course continues from Auditing Principles and Procedures (ACCT 4311) by implementing the auditing principles, standards, procedures, and practices learned in that course and applying them in case analysis. Topics include research of professional accounting and auditing standards, technical memo writing, professional ethics, professional judgment, sampling, forensic examinations, integrated audits, quality control reviews, assurance services, and other contemporary issues in auditing. Prerequisites: accounting foundation courses or their equivalent.

Prerequisites: Accounting Foundation Courses or their equivalent – it is particularly important to have completed Auditing Principles and Procedures, ACCT 4311, or equivalent, covering AICPA auditing standards.

Learning Objectives:
By the end of this course, students will be able to:
  1. Improve analysis, problem-solving, research, and decision-making skills.  
  2. Create professional technical memos that integrate research of professional standards with analysis of fact-based scenarios commonly found in accounting practice (MAcc Learning Goal G.1.0.1).  
  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 (MAcc Learning Goal G.3.0.1).  
  5. Develop abilities and skills in working with others as a team.  
  6. Develop skills in the exercise of professional judgment (MAcc Learning Goal G.4.0.2).  
  7. Developing ethical principles to guide ethical decision making ((MAcc Learning Goal G.4.0.1).  
  9. Discuss the latest trends in auditing and assurance services  
  10. Conduct and evaluate auditing research at the basic level (MAcc Learning Goal G.3.0.1)

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. FASB Accounting Standards Codification (ASC) electronic online search engine
6. Blackboard (Bb) – see login information provided in Blackboard (Bb)

**Highly Recommended:**
- A recent edition of an auditing textbook such as Louwers et al., or Arens et al., as a reference. Ask the course instructor if you are not sure about the textbook.

**Websites Used:**
Blackboard: [https://bb9.tamucc.edu/](https://bb9.tamucc.edu/)

**Useful websites:**
Professional Standards
AICPA Clarified Auditing Standards:
AICPA Code of Professional Conduct:
[http://www.aicpa.org/Research/Standards/CodeofConduct/Pages/default.aspx](http://www.aicpa.org/Research/Standards/CodeofConduct/Pages/default.aspx)
PCAOB Auditing Standards for issuing firms:
[http://pcaobus.org/Standards/Auditing/Pages/ReorgStandards.aspx](http://pcaobus.org/Standards/Auditing/Pages/ReorgStandards.aspx)
IAASB International Auditing Standards:
[https://www.ifac.org/auditing-assurance/clarity-center/clarified-standards](https://www.ifac.org/auditing-assurance/clarity-center/clarified-standards)
GAO Government Auditing Standards 2011 Revision:

**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 or Blackboard 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.

**Course Policies:**
(1) CPAexcel quizzes: Wiley CPAexcel® has provided us with free use of their AUD section of their CPA exam review course. The materials include study materials (videos, text, flashcards, and practice questions) and eight quizzes with 10 questions for you to take. In CPAexcel you may take the quizzes as many times as you want but keep in mind
that CPAexcel will only retain the last attempt. Once you have a quiz grade that you want to report you must go to Blackboard and open the assignment related to the quiz (for example “CPAexcel Quiz 1” for the first quiz) and type in your score (for example “9 out of 10”) and submit the assignment. **Take a screen shot of your quiz score in CPAexcel, copy and paste the screenshot into a Word document, and attach the Word document into the Blackboard assignment for each quiz.** CPAexcel and Blackboard do not “talk to each other” so the second step in Blackboard is necessary in order to record your quiz grade in Bb. IMPORTANT: Do not open quiz Blackboard assignment before you take the CPAexcel quiz – open it after you have completed the quiz in CPAexcel.

(2) **Case analysis** - submit a case analysis attaching your work in the Blackboard assignment. Follow the case write-up instructions in Blackboard concerning format of the memo. **Key thoughts in preparing the final case write-up:**

a) Read the **Writing Tips** in the “Accounting Info” menu section of the Blackboard menu
b) Review the **Case Write-up Instructions** in the “Instructions” menu section of the Bb menu for format instructions for memos
c) Look at the assignment in Bb for possible additional instructions, such as which case questions to answer, and for possible supplemental files such as an excel spreadsheet
d) For AICPA auditing standards cite only AU-C standards never AU standards
e) Determine the relevant facts and main issues in the case
f) Answer case questions listed in the Blackboard assignment instructions.
g) Research these issues in the auditing and professional standards literature (primarily using Checkpoint through the TAMUCC library website)
h) State conclusions, with **citation of authoritative support** for those conclusions
i) If appropriate, indicate areas of controversy or concern
j) Grades and feedback is provided in the grading rubrics

(3) **Alpine Cupcakes Audit Case Study:** This audit case is based on a real-world audit. You will role play being part of a team assigned to conduct internal an internal inspection of a complete audit engagement. Therefore, you are reviewing audit documentation as part of your firm’s quality control procedures. This is unique to most audit cases in which you are doing the audit. There are 3 areas to review: risk assessment, audit of cash, and audit of accounts receivable and sales. For any case assignment that requires research of auditing standards we will research **AICPA Auditing Standards (AU-C).** **Important information:**

a) *The entire team will complete risk assessment module in weeks 1-3*
b) *The team will be split into two sub teams for weeks 4-7 one sub team will complete the audit of cash module and the other will complete the audit of accounts receivable module. Students will receive a grade for the work of the sub team to which they were assigned,*
c) *A peer evaluation is required for work done in (a) and (b) above. Peer evaluations may affect individual student grades on the audit case.*
(4) **Capstone Case (Final Exam):** Prepare analysis of the capstone case. *Please note that the capstone case is used as part of the evaluation of the MAcc program’s assurance of learning as required by our AACSB Accounting Accreditation.*

(5) **Assignment due dates and Grading.** Because this course is at an accelerated pace over 7 weeks it is necessary to have firm due dates in order to finish the material in a timely fashion. Therefore, except for the final exam, all module assignments are due 11:59 PM on the Sunday of the week in which the module is assigned. The final exam is due 11:59 PM October 13. See course schedule for a list of assignments and their due dates. Normally, module assignments will be graded by 11:59 PM the Tuesday following the due date. The final exam will be graded by 11:59 PM October 15. Course grades are due October 18.

(6) **Assignment Feedback.** Feedback on assignments are provided in the comment area of the grade matrix (rubric) used for each assignment. You can view this information within “My Grades.”

(7) **No late work will be accepted.** Due to the nature of the assignments and the 7 week “accelerated” semester, no late work will be accepted.

(8) **Course Communications:** You are expected to review announcements in Blackboard on a daily basis and also your islander email for communications about this course.

(9) **Electronic Device Usage** – computers or tablets are required to complete this course

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 35 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: see Bb for login:
Password: see Bb for password (up to 25 concurrent users):

**Grading.** Student performance will be evaluated based upon the following:

<table>
<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 &amp; Case#0 quiz</td>
<td>30</td>
</tr>
<tr>
<td>2</td>
<td>One weekly case analysis, 6, drop lowest, @ 20 pts each</td>
<td>100</td>
</tr>
<tr>
<td>3</td>
<td>7 Weekly Wiley CPAexcel quizzes – drop lowest</td>
<td>70*</td>
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<tr>
<td>4</td>
<td>Alpine Cupcakes Audit case study – team assignment</td>
<td>200</td>
</tr>
<tr>
<td>5</td>
<td>Final Capstone Case analysis – as final exam</td>
<td>100</td>
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<td></td>
<td><strong>TOTAL</strong></td>
<td><strong>500</strong></td>
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</table>

* Full credit will be given to students who possess a CPA license or have passed the AICPA AUD section of CPA examination. Appropriate verifiable evidence must be provided.

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 curves.**

**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 zero the first time and failing the course for any additional offence.

**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. **September 25** is the last day to drop a class with an automatic grade of “W” this term.

**Preferred methods of scholarly citations and professional standards – Scholarly citations:** APA style is the only accepted method used for citations and referencing during this class. All work should be paraphrased rather than copied directly. Material used from sources other than the text should use APA style citations and references. **Professional standards:** For this course, assume the reader of your paper/memo is familiar with professional accounting and auditing standards. Use parentheses ( ) within the text itself to cite professional standards. What goes
into the parentheses depends on the kind of source being used. Also note that citations should be "precise," for example:

(FASB, ASC, par. 210-10-45-01) is a “precise” citation that refers to FASB codification topic (210), subtopic (10), section (45) and paragraph (01). (ASC, par. 210) is an example of a citation that is not “precise.”

(AICPA, AU-C 210.06) refers to AICPA codified auditing standards section (210) and paragraph (.06). (AU-C 210) is an example of a citation that is not “precise.”

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.

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.tamucc.edu/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.

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.

College of Business 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

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Summary of Topical Coverage:

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<thead>
<tr>
<th>Topic</th>
<th>Hours</th>
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<tbody>
<tr>
<td>Professional Roles</td>
<td>3</td>
</tr>
<tr>
<td>Corporate Governance and Audit Committees</td>
<td>3</td>
</tr>
<tr>
<td>Regulations: Sarbanes-Oxley Act of 2002</td>
<td>3</td>
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<tr>
<td>Fraudulent Financial Statements</td>
<td>3</td>
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<tr>
<td>Course</td>
<td>Credits</td>
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<td>---------------------------------------------</td>
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<tr>
<td>Professional Ethics and Responsibility</td>
<td>3</td>
</tr>
<tr>
<td>Fraud</td>
<td>6</td>
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<tr>
<td>Earnings Management and Auditor Objectivity</td>
<td>3</td>
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<tr>
<td>Risk Assessment</td>
<td>3</td>
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<tr>
<td>Client Acceptance and Materiality</td>
<td>3</td>
</tr>
<tr>
<td>Internal Controls</td>
<td>6</td>
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<tr>
<td>Audit Evidence</td>
<td>3</td>
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<tr>
<td>Audit Practice Case Simulation (Flowcharting)</td>
<td>3</td>
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<tr>
<td>Audit Practice Case Simulation (Walkthroughs)</td>
<td>3</td>
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<tr>
<td>Final Exam Period Group Presentations</td>
<td>3</td>
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<td>45</td>
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COURSE SUBJECT TO CHANGE AT INSTRUCTOR’S DISCRETION
<table>
<thead>
<tr>
<th>Module # (Due date)</th>
<th>Module Topic</th>
<th>Assignments:</th>
</tr>
</thead>
</table>
| 1 (8/28-9/3)        | Professional Judgment & Ethics | Bb: Personal introduction  
C#0: Read “Professional Judgment Introduction”  
Bb: syllabus & C#0 quiz in Bb  
C #1 – “3.5 Hollinger International”  
A: Risk Assessment Module Q1-2  
X: Quiz 1 |
| 2 (9/4-9/10)        | Audit Planning  
Materiality  
Risk Assessment | A: Risk Assessment Module Q3-6  
X: Quiz 2  
C#2 – “1.1 Ocean Manufacturing” |
| 3 (9/11-9/17)       | Audit Evidence  
Audit Documentation | AS1: Cash Module Q1-2  
AS2: Account Receivable Module Q1-2  
X: Quiz 3  
C#3 – “4.7 Satyam Computer Services” |
| 4 (9/18-9/24)       | Audit Sampling | AS1: Cash Module Q3  
AS2: Account Receivable Module Q3-4  
X: Quiz 4  
C#4 – “9.6 Hooplah Inc.” |
| 5 (9/25-10/1)       | Substantive Audit  
Evidence  
Auditing Estimates | AS1: Cash Module Q4  
AS2: Account Receivable Module Q5  
X: Quiz 5  
C#5 – “9.7 Redpack Beer Company” |
| 6 (10/2-10/8)       | Fraud  
Legal Liability | AS1: Cash Module Q5  
AS2: Account Receivable Module Q6  
X: Quiz 6  
PBS Frontline Video in Bb “How to Steal $500 Million”  
C#6: Graded Bb discussion board related to PBS video |
| 7 (10/9-10/13)      | Final Capstone Case | Final exam case – “12.4 Surfer Dude Duds, Inc.”  
X: Quiz 7 |