

University of Montana

ScholarWorks at University of Montana

University of Montana Course Syllabi, 1990-2010

Spring 2-1-2008

ACCT 441.01: Auditing

Terri L. Herron

University of Montana, Missoula, terri.herron@umontana.edu

Follow this and additional works at: <https://scholarworks.umt.edu/syllabi1990-2010>

Let us know how access to this document benefits you.

Recommended Citation

Herron, Terri L., "ACCT 441.01: Auditing" (2008). *University of Montana Course Syllabi, 1990-2010*. 11.
<https://scholarworks.umt.edu/syllabi1990-2010/11>

This Syllabus is brought to you for free and open access by ScholarWorks at University of Montana. It has been accepted for inclusion in University of Montana Course Syllabi, 1990-2010 by an authorized administrator of ScholarWorks at University of Montana. For more information, please contact scholarworks@mso.umt.edu.

ACCT 441 Auditing
Spring 2008
Sec 01: TR 9:40-11:00
Sec 02: TR 11:10-12:30
GBB L13

Dr. Terri Herron, CPA, CISA
terri.herron@umontana.edu
GBB 316 243-5878 (v-mail)
Office Hrs:
Tues and Thurs 8:30-9:30
Wed 11:00-noon
Other times by appt.

School of Business Administration Mission Statement: The faculty and staff of The School of Business Administration at The University of Montana-Missoula are committed to excellence in innovative experiential learning and professional growth through research and service.

Department of Accounting and Finance Mission Statement: The Department of Accounting and Finance prepares ethically aware decision makers with effective analytical and qualitative business knowledge and skills to become professionals in their respective fields.

Objectives

The objectives of this course are to (1) introduce students to the assurance profession and (2) provide integration and understanding of auditing concepts, standards, and practices.

Outcomes

At the completion of this course, a successful student will be able to do the following:

- Describe the relationship between attestation, assurance, and auditing engagements and their roles in society
- Understand the role of ethics, the Code of Professional Conduct, and professionalism in the profession
- Identify important audit standard-setting bodies
- List and explain the 10 generally accepted auditing standards
- Write the standard audit report and understand when standards require variations from it
- Understand the distinct steps in the audit process, including how activities in different phases of the audit relate to one another
- List and explain management's financial statement assertions
- Relate audit objectives to assertions
- Define the elements of audit risk, their relationship to one another, and how audit procedures relate to the elements of audit risk for each audit area
- Thoroughly understand best practices for internal control and how internal controls relate to audits of both public and nonpublic entities
- Understand SOX Section 404 requirements as they relate to auditors
- Understand the auditor's responsibility with regards to fraud
- Identify and associate audit procedures in a particular area with risks, assertions, and audit objectives for the area

Prerequisites

Students enrolled in ACCT 441 must meet the following requirements:

- Junior level standing in business, including completion of all lower courses required of business majors – no exceptions to this requirement will be made.
- Completion of ACCT 310 and ACCT 312
- Mastery of written and spoken English. No dictionaries will be allowed during exams.

Professional Exams

Material covered in this course is also covered on a number of professional certification exams.

- [Certified Public Accountant](#) – one of the four parts is devoted to external auditing topics
- [Certified Internal Auditor](#) – two of the four parts are devoted to auditing topics, with a specific focus on internal auditing
- [Certified Fraud Examiner](#) – one of the four parts covers auditing from a fraud discovery perspective
- [Certified Information Systems Auditor](#) – ten percent of this exam covers the audit process from an IS audit perspective

This course covers most, but not all, of the material tested on the Auditing section of the CPA exam. Students desiring to take the CPA exam may obtain the additional information by self-study using CPA review materials, or by taking an Advanced Auditing course as a graduate student accepted to our MACct.

Materials

Students are required to have the following items available:

- *Auditing & Assurance Services, 3rd edition*, by Louwers, Ramsay, Sinason, & Strawser (available in bookstore; be sure to purchase 3rd edition, which is brand new and includes a cd)
- Blackboard account
- University email account (see policy on email below)
- *AICPA Professional Standards*, available in the second floor SOBA lab or for purchase from AICPA
- Computer that can open MS Office 2007 documents (free converter is posted in Blackboard and others are widely available online) and .pdf files

Course Policies

Professional Conduct - Auditing is a professional endeavor. I expect students to conduct themselves in a professional manner at all times. Professionalism includes:

- attending class prepared for the day's topic
- being prompt for class
- staying in the classroom for the entire class period
- submitting assignments on time
- treating all email correspondence as professional communications
- refraining from disruptive behavior during the class period.

Email communication – I am quite comfortable communicating via email. However, you should treat our email correspondence as if I were your client. Your messages should be well written and grammatically correct. Furthermore, your messages should begin with a proper salutation and close appropriately. All words requiring capitalization should be so capitalized. I strive to be timely in my email responses. If you email me during the week you will almost always receive a response within 24 hours.

UM policy requires email correspondence between faculty and students to be done exclusively via UM email accounts. Important announcements will be sent via UM email. You are responsible for checking your UM email account and ensuring its functionality in the event that you forward messages to another non-UM account.

Office Hours – I have regular office hours each week (see hours listed at top of syllabus). Please be aware that because I am Department Chair and serving on several UM committees, I will occasionally have unavoidable conflicts that require me to move office hours. I will post such changes on Blackboard as an announcement and/or outside my office.

Assignments – Written assignments are assigned and collected for a grade. Students should demonstrate pride in all their work. All work products should be typed unless otherwise noted. Auditors spend much of their day documenting their audit findings. Every written assignment should be of a quality you would be proud to have reviewed by a partner or boss or to submit to a client. Assignments should be free from grammatical and spelling errors. Points will be deducted from any assignment containing grammatical or spelling errors. Please carefully proof your work.

Homework – In addition to written assignments, daily homework may be assigned to reinforce concepts learned. As with any accounting course, diligent preparation of homework will greatly enhance your mastery of the material. Homework will be self-graded and reviewed during class, unless otherwise announced.

Participation – Immediately upon becoming an auditor, you will be expected to make judgments and be able to discuss issues with supervisors. Thinking on your feet is a critical auditor skill. Students will be expected to contribute and participate during the class period. I will call on students if the class is feeling particularly shy.

Quizzes – Quizzes are given every Thursday – except for exam weeks – for a total of 12 quizzes. The top 10 quiz scores will be retained (students may drop their lowest two quiz scores). Missed quizzes count as a zero and cannot be made up. In other words, if you miss two quizzes for any reason, those two zeros would be dropped. Please use your two dropped quizzes wisely to maximize your overall quiz average. Note that quizzes are short and given at the beginning of class. If you are late to arrive, you will not be allotted extra time. I also do not allow students to take the quiz and leave for the rest of class unless there is an unusual circumstance approved ahead of time.

Exams – Exams must be taken during the regular class period. Makeup exams are not administered unless a circumstance is serious and unavoidable by the student. The following exam policies will be enforced:

- You must take your exam with your assigned section.
- All cell phones, pagers, Blackberries, etc. must be turned OFF and in your backpack or pocket during the exam. You may not access these devices for any reason.
- You may not listen to iPods or other audio devices during an exam.
- You may not leave the room during an exam. If you do so, you are considered to be done and will not be allowed to proceed. Please take care of personal business before the exam starts.
- You may not disclose any information about the exam to a student who has not yet taken the exam. This is considered an act of academic misconduct (see below) and will be penalized.
- No foreign language dictionaries are allowed during an exam.
- You may be asked to sign an honesty pledge on exams.

Academic Misconduct – **All students must practice academic honesty.** Academic misconduct is subject to an academic penalty by the course instructor and/or a disciplinary sanction by the University. All students need to be familiar with the Student Conduct Code. The Code is available for review online at <http://ordway.umt.edu/SA/VP/SA/index.cfm/name/StudentConductCode>. It is the student's responsibility to be familiar the Student Conduct Code.

Use of any outside source (e.g., solution manual, other students' work, other students' thoughts) on any assignment, including homework, is considered academic misconduct and will result in a severe penalty including the possibility of a failing grade in the class.

Research shows that students who cheat in college are more likely to commit fraud or illegal acts once they enter the business world. ***I strive to have 100% of my students committed to honesty in both academic and future professional situations.***

Drops – Per UM policy, I will approve drop slips through March 4th. After this date, students must petition to drop the course (grade=WP only for 70% or higher). I follow University and departmental policy for petitions. Thus, I will not approve petitions to drop after March 4th unless the student provides documentation substantiating s/he meets one of the listed valid reasons for dropping according to the University catalog. Please note that poor academic performance and its consequences are not valid reasons for petition approval.

Graduate Credit – Graduate students wishing to take ACCT 441 for graduate credit must complete an extensive case analysis and presentation. These case materials will be provided by me. It focuses on WorldCom and includes specific questions that the student will answer in a typed paper. In addition, the student will make a 20-minute presentation to the class about the case in mid-April. The case and presentation are worth 50 points, which are added to the total number of points available. All graduate students need to meet with the instructor the first week of class to inform the instructor if graduate credit is desired.

Disability Accommodations – If you will require an accommodation for a disability, you must provide me with a current letter from DSS. Upon providing this documentation, we can meet to discuss the specific accommodations that are reasonable.

Open Door Policy – I welcome students dropping by to see me for any reason, including for career advice. I am generally on campus much of the day. If I am in my office with the door open, I would be happy to see you.

Course Grading:

Students' mastery of the course material is assessed as follows:

	<u>Undergrads</u>	<u>Grads</u>
Quizzes (12, drop 2 = 10 @ 10 pts each)	100 pts	100 pts
Exam 1	100 pts	100 pts
Exam 2	100 pts	100 pts
Comprehensive Final Exam	150 pts	150 pts
Written Assignments (estimated points)		
Team Audit Projects	50 pts	50 pts
ACL	30 pts	30 pts
Other	20 pts	20 pts
Graduate case and presentation	<u>n/a</u>	<u>50 pts</u>
Total points (estimated points)	<u>550 pts</u>	<u>600 pts</u>

Grades are determined based on the percentage of total points available. The total points available will be adjusted for the final points allocated to assignments and projects.

The plus/minus grading system will be used in this course. Grades will be curved upward, if necessary, at the end of the course. Individual exams and assignments are not curved. Earning the following percentages in the course will guarantee you the corresponding grade:

	B+ → 88.0%	C+ → 78.0%	D+ → 68.0%
A → 92.0%	B → 82.0%	C → 72.0%	D → 62.0%
A- → 90.0%	B- → 80.0%	C- → 70.0%	D- → 60.0%

Extra credit is not available. This course must be taken for a letter grade. Audits are allowed only if the student registers for the course under the audit status by the second week of class and does not need the credit for their degree. Students graduating under the 05/06 or later catalogue must earn a C- or better in this course for it to count in their major. This is a requirement established by the Board of Regents of the Montana University System.