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ACTG 641.V60: Advanced Auditing

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ACTG 641 – Advanced Auditing
Fall 2022 TR 8:00-10:50am GBB 205
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Office Hours:
Tues/Thurs 2-3pm (GBB315)
Wed 2-3pm (Zoom)
and by appt (Zoom or in-person)

ACTG 641 - Advanced Auditing (3 Credits)

Research cases in auditing and coverage of contemporary topics in auditing, typically including attestation standards, other reports and services, legal and ethical environment, and fraud detection.

Course Objectives

ACTG 641 reinforces and extends the foundational audit concepts learned in ACTG 411. The overall objective is to equip you to enter the accounting profession and participate in assurance engagements. This course contributes to success on the AUD section of the CPA exam. You will apply audit standards to complex cases, develop judgment and decision-making skills, understand the regulatory environment in which auditors operate, and research professional topics. Course learning goals below outline specific areas a student will master in this course.

MAcct Mission Statement

The mission of the Montana MAcct program is to provide breadth and depth in accounting, auditing, taxation, and business to develop a high level of technical knowledge, technology awareness, and leadership capability for advancement in the accounting profession and other related business careers.

Program Learning Goals (PLG)

This is a required course in the MAcct. Program learning goals are for MAcct students to:

1. Obtain a deeper mastery of technical accounting competencies to support preparation for CPA certification
2. Understand the role of the accounting profession in business and the economy, along with the importance of professionalism and ethics in carrying out this role
3. Communicate effectively through both written and verbal means
4. Demonstrate a high level of critical thinking skills

Course Learning Goals

This course facilitates the program learning goals. ACTG 641 students will:

- Understand external auditing standards and practices applicable to public companies, private companies, nonprofits, and government entities (PLG 1, 2)
- Contribute to discussions with insightful comments and questions (PLG 3, 4)

- Analyze fact-base cases, applying applicable professional standards (PLG 1, 2, 3, 4)
- Understand standards applicable to non-audit services (PLG 1, 2)
- Compare regulatory mechanisms for auditors of public and nonpublic entities (PLG 1, 2, 4)
- Understand emerging factors impacting audit and assurance services (PLG 1, 2)
- Demonstrate effective written and oral presentation skills (PLG 3)

Prerequisites

Admission to MAcct., cumulative GPA of 3.0 or better in all accounting fundamental courses taken to date, ACTG 411, graduate student in business or consent of accounting graduate director. This course must be taken for a letter grade.

How You Will Learn

The only thing certain about the audit environment is uncertainty. Auditors at every level make judgments in an uncertain environment every day. My goal for you is that you will learn to critically think in situations where there is no black and white answer, to exercise your professional skepticism, and to learn when to speak up and when to listen. I expect you to demonstrate a strong knowledge of auditing standards by applying them to **cases**, requiring you to clearly document and express conclusions (sometimes your best judgement). You will learn the basics of standards applicable to non-audit services such as compilations, reviews, and agreed-upon procedures. You will present summaries of actual cases of CPAs being punished for not following standards and research emerging topics in assurance. Some work will be completed individually and some in **teams**.

Required Textbook

e-book: *Auditing & Assurance Services*, 8th edition (Louwers, Bagley, Blay, Strawser, & Thibodeau) with Connect access. Access information will be sent via email. You will also access cases, readings, and other materials online through Moodle or other links or handouts that I provided.

Class Schedule

This class is compressed into 10 weeks, requiring us to meet longer than the typical 80 minutes twice a week to meet the standard for a 3-credit class. We have the 8:00-10:50 time slot blocked off, but we will usually meet for about two hours twice a week. Special situations like guest speakers, quizzes, group workdays, or other scheduling demands will require we meet the full time block. Flexibility is key; please keep the full time slot open to allow for this flexibility.

How You Will Be Assessed

Audit cases and other assignments	50%	A = 92.0%+
Quizzes (two)	30%	A- = 90.0-91.9%
PCAOB Project/Research Presentation	<u>20%</u>	B+ = 88.0-89.9%
Total	<u>100%</u>	B = 82.0-87.9%
		B- = 80.0-81.9%
Students must earn a C or better in this required graduate course.		C+ = 78.0-79.9%
		C = 70.0-77.9%

Cases

A number of cases will be assigned in this course – some individual and some group cases. All case solutions must be typed with proper grammar and punctuation, with solutions appropriately concise and to the point. You should always include a brief summary of key facts, answers to each question, and evidence supporting conclusions (e.g., citing a particular audit/accounting standard). Students will both lead and participate in case discussions. Due to the nature of auditing, there may not be “right” answers to case questions. I will assess your cases on your ability to (a) support your position with evidence, (b) be thorough and concise, and (c) make a quality presentation to the class (when presenting).

Quizzes

You will complete a two quizzes on content learned in the course. These are pre-announced.

PCAOB Project/Research Presentation

At the end of the semester, groups will present PCAOB enforcement cases and possibly other research projects to the class and local CPAs. Details will be provided in class. This is scheduled on the morning of **FRIDAY, November 4th**, the day our advisory boards are in town.

Participation

Being a good audit team member requires effective interpersonal skills. These include being prepared for meetings, speaking up in meetings, and being an active, effective listener. I expect attendance at every class (unless you are ill), either in the classroom or synchronously on Zoom. If you are attending on Zoom, please keep cameras on and participate as if you were actively engaged in a meeting. Students with quality participation and who are on a grade bubble will be bumped up. Students who do not have quality participation will not be bumped up if on a grade bubble. We all know quality participation when we see it – being alert and on task, answering questions posed to the class, asking questions pertinent to class material, engaging in class discussions, avoiding the domination of class time or posing frivolous questions, and using a professional demeanor. This also extends to any required online discussions. Quality participation here relates to on-point, robust but not verbose comments and unique contributions.

Excused absences

Absences are “excused” ONLY in these very narrow and specific situations: (1) University-approved absences with documentation, (2) documented health emergencies, (3) civil service such as military duty and jury duty, (4) documentation of a job interview during class, and (5) other emergencies deemed appropriate by the instructor. In all cases, you must notify me prior to the quiz/exam unless the emergency makes such notification infeasible. Most reasons students miss class do not fit the excused absence definition. For example, oversleeping, feeling under the weather, traveling for work, or taking care of other personal business are not excused absences. Note that I do not provide makeup quizzes/exams or provide due date extensions unless there is a pre-approved excused absence. This class is offered in a hybrid, synchronous format.

Academic Honesty

Did you know research tells us that students who cheat are more likely to commit fraud in their professional life? All students are expected to practice academic honesty. Specifically, you are not to use any unauthorized source in completing cases and assignments (such as solutions manuals, completed cases, or answers shared online) or work with other students unless it is designated as a team assignment.

Work Product Pride

Auditors have their work reviewed by supervisors, managers, and one or more partners. As well, auditor documentation is reviewed during the intra-firm quality control, peer review, and PCAOB inspection processes. I expect you to produce work products that are neat, concise, easy to read, and complete. Technical work products should reference authoritative literature, and where appropriate, contain a clearly marked purpose and conclusion.

Netiquette

Please use proper netiquette. Netiquette is the etiquette you use in online and other electronic communications. (e.g., via email, via Zoom, via Zoom chat). Netiquette is a professional expectation and includes things like not TYPING IN ALL CAPS (it can be seen as shouting). It is important to remember that everyone in this class is a real person, not an online character. Sarcasm and humor should be used sensibly, as these things often do not translate in an online environment. Professionally expressing opinions is welcome. However, discriminatory, offensive, off-topic, and unprofessional language (e.g., cursing) is not acceptable. In addition, it is unacceptable to harass, cyber-stalk, or troll individual students in private messages, and such behavior may violate Title IX. So don't be "that person." If you wouldn't say it face-to-face, don't say it online.

If you have concerns about another student's behavior in an online class, meeting, or chat, please let me know.

Availability

Most weeks, office hours will be Tuesdays and Thursdays, 2-3pm (in person) and Wednesday 2-3pm (Zoom). Some weeks, I will need to move office hours to accommodate some of my other work commitments. I make every attempt to respond to emails within 24 hours during the business week. Please reserve your more detailed questions for office hour visits.

Accommodations

If you have a disability accommodation request, please see me before the end of the second week. I require certification from the ODE office; no foreign language accommodations are provided. Any accommodations must not alter the nature of the course or impede learning objectives.

Adds/Drops

- **October 31st** is the last day to drop the course without petitioning the dean. I follow UM and departmental policy for petitions. Thus, I will not approve petitions to drop after this day unless the student meets the requirements in the UM catalog, which states, "During this timeframe,

students may drop courses only by petition. Note that not all petitions are approved, and that documented justification is required. Some examples of documented circumstances that may merit approval are: accident or illness, family emergency, or other circumstances beyond the student's control. Instructors and advisors have the right to indicate they do not recommend the drop. However, it is the decision of the Dean of the student's major to approve or deny the request to drop courses" (emphasis added).

- Please note that poor academic performance and its consequences are not valid reasons for petition approval. If approved, grade=WP only for 70% or higher.
- **Graduation delays** will result if you drop this course. It is only offered once a year, and independent studies or transfer courses are not allowed as a substitution.

COB Mission Statement

The College of Business at the University of Montana creates transformative, integrated and student-centric learning experiences, propelling our students to make immediate and sustained impact on business and society. We nurture our students' innate work ethic to develop confident problem solvers and ethical decision makers. We pursue thought leadership and collectively create opportunities for a better life for our students, faculty, and staff.