

University of North Texas
ACCT 4400 (3 hours): Auditing – Professional Responsibilities
Fall 2020
Dr. Eutsler

Section	Time	Place
002,003	Remote	UNT Internet Course

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Office Hours: MW 12:00 p.m. – 1:30 p.m.
-Or by appointment-

Prerequisites: ACCT 3120 and ACCT 4100; BLAW 3430; must have a 2.5 GPA in all ACCT 3000 and ACCT 4000 courses taken at UNT or their equivalent taken at other colleges and universities to take this course. ACCT 4400 may not be taken more than twice at UNT.

Required Material: Webcam. *Auditing & Assurance Services: A Systematic Approach*. Messier, Glover, and Prawitt. 11th ed. 2018. A course reserve copy is available at Eagle Commons Library in Sycamore Hall. ONLINE ACCESS FOR SMARTBOOK IS STRONGLY RECOMMENDED. You can use it for Connect to complete LearnSmart Assignments, or alternatively, you can submit your detailed notes after reading the chapter.

Look Forward Provision: This course serves as a prerequisite for ACCT 5110, ACCT 5120, ACCT 5200, ACCT 5310, ACCT 5410, ACCT 5440, ACCT 5450, and ACCT 5480. It may also be a prerequisite for some non-accounting courses. Please discuss your course schedule with your advisor.

Course Description: Introduction to auditing and the professional responsibilities of a career in any specialty of the accounting profession. Topics include the legal and ethical responsibilities of accountants; professional auditing standards; the acquisition, evaluation, and documentation of audit evidence; reports on the results of the engagement.

General Description of Subject: Auditing is a systematic process of obtaining and evaluating evidence about assertions made by another party. The primary objective of this course is for you to understand the process of auditing a company's financial statements and internal controls over financial reporting. This process results in audit opinions that convey reasonable assurance to investors, creditors, and other users regarding those financial statements and internal controls. This course will educate you about why we need audits, standards and laws applicable to auditors, the AICPA Code of Professional Conduct, procedures used to plan, perform, and document audits, and communicating audit findings to users. These issues are important to your career because many of our graduates either become auditors or work with auditors in some capacity.

Class Website: A class website will be maintained throughout the semester on Canvas at <https://unt.instructure.com/login/canvas>. Class materials such as assignments, notes, etc. are available in Canvas. Grades posted on Canvas are unofficial.

Core Category: Capstone.

Core Curriculum: The capstone course is an important component of UNT's Core Curriculum. This course is related to the category of **Social and Behavioral Sciences** and will focus on the application of empirical and scientific methods that contribute to the understanding of what makes us human. As a capstone experience, auditing a company's financial statements requires an understanding of both accounting principles and the human and social environment in which accounting decisions are made. The ability to make such considerations in complex situations derives from the study of the human community and the social and behavioral environment. The accounting function impacts all areas of the audit client organization. This course addresses the potentially conflicting ways of thinking and decision-making applied by various constituencies of the client, including client employees, the audit firm, regulators, and client shareholders, and considers how financial statements and the accompanying audit report can impact these various constituencies. As an integral part of the core curriculum, engaging in this course will allow the student to develop and demonstrate the core objectives of Critical Thinking, Communication Skills, Social Responsibility and Personal Responsibility.

- **Critical Thinking Skills** – including creative thinking, innovation, inquiry, and analysis, evaluation and synthesis of information. Case studies are used in this course to address complex issues that can arise during different phases of the audit process. Students are challenged to be innovative (e.g., use critical thinking skills) when encountering different conditions in the case studies.
- **Communication Skills** – including effective development, interpretation and expression of ideas through written, oral and visual communication. Course material and case studies used in this course contain realistic circumstances that can impact audit procedures and outcomes that require students to analyze information and communicate appropriate solutions.
- **Empirical and Quantitative Skills** – including the manipulation and analysis of numerical data or observable facts resulting in informed conclusions. The case studies used in this course require students to develop skills, related to collecting and manipulating data that will enable them to prepare recommendations and form conclusions.
- **Social Responsibility** – including intercultural competence, knowledge of civic responsibility, and the ability to engage effectively in regional, national, and global communities. Auditors have shared responsibility to the public as well as to the client. In the preparation of an audit opinion, the auditor makes a statement regarding a client's financial condition. Users of financial statements (including investors, creditors, government, etc.) rely heavily on the audit opinion, illustrating the social responsibility of the auditor. Class material and case studies used in this course critically examine the auditor's relationship between professional responsibility and social responsibility to society.

Learning Objectives: When you complete this course, you should have:

- An understanding of the codification system for PCAOB Auditing Standards and the AICPA Code of Professional Conduct, and the ability to research those standards
- An understanding of the professional responsibilities of both auditors and CPAs in general
- The ability to apply the audit risk model to the process of planning audit procedures
- The ability to design and evaluate audit procedures to test specific financial statement assertions
- The ability to conduct controls testing and substantive procedures using audit sampling
- The ability to select the appropriate audit opinion for a given situation
- The ability to identify fraud red flags

Methods of Instruction: Lecture; discussion of current events in auditing; application through cases.

Class Website: A class website will be maintained throughout the semester on Canvas (go to unt.instructure.com). Class materials such as assignments, notes, etc. are available in Canvas. Grades posted on Canvas are unofficial.

Course Topics:

Unit 1: Audit Fundamentals (chapters 1-4)

- The Audit Process
- The Auditing Environment and Standards
- Planning, Materiality, and Risk Assessment

Unit 2: Conducting an Integrated Audit of Internal Controls and Financial Reporting (chapters 5-10,16)

- Evidence and Documentation
- Auditing Internal Controls
- Audit Sampling
- Auditing Revenue
- Auditing Cash

Unit 3: Auditing Standards, Audit Completion, and Audit Regulation, and Completing the Audit (chapters 17-20)

- Completing the Audit
- Audit Reports
- Fraud Risk Management
- Ethics and Professional Conduct

Point Distribution and Grading Scale:

Assessment	Points	Course Grade	Points Required
Exam 1	100	A	≥ 90% of total points
Exam 2	100	B	80-89% of total points
Exam 3 (Final Exam)	100	C	70-79% of total points
Audit Industry Experts Project	80	D	60-69% of total points
Individual Core Objective Assessment	40	F	< 60% of total points
SmartBook (or alternative)	30		
Cases	30		
Professionalism/Discussion Questions	20		
TOTAL	500		

I use **mathematical rounding** to determine grades at the hundredths decimal place. For example, a grade of $447.7/500$ (89.54%) = **B**. **Your grade is completely based on your performance in this course.** Whatever grade you need to graduate, etc. is the result of your performance in prior classes and **is irrelevant to the grading process in this course.** When you take a class, **you are responsible** for all class requirements and your course standing.

Exams: There will be three exams, including the final exam. All course material is fair game for exam content. Exam 1 covers Unit 1. Exam 2 covers Unit 2. Exam 3 (Final Exam) covers Unit 3 and any previous chapter(s) for which the class as a whole did not perform well on Exams 1-2. **Calculators** are not allowed for any exam. You may take a **makeup exam** under **extraordinary circumstances**, which I must **approve prior** to the exam you miss. To be eligible for a makeup exam, you must provide adequate documentation such as a doctor’s excuse (consistent with the university’s attendance policy; see below).

For medical absences, I do not need to know the cause of the absence. Simply document you were under a doctor's care on the exam date, could not return to school until after the exam date, etc. **If I approve a makeup exam**, you can take the makeup exam during the **designated non-negotiable makeup time**. An unexcused absence on exam day or the makeup day will result in a zero grade that cannot be made up in any way.

Exam Retention: One year following the completion of the semester, then destroyed.

Grading Appeal Policy. You will have one week from the date that grades are returned to the class to appeal any assignment grades (Note: If assignment is submitted late you might lose your right to appeal any grade). To appeal any part of the grading of any assignment, please prepare a formal memo including citations from the book or other reputable sources. Memos without sources will not be considered. Students are limited to one memo for each assignment; make sure the memo is comprehensive. If the assignment is returned the last week of class, the final day to appeal any grade will be on the last day of class before the final.

Audit Industry Experts Project (80 points): Throughout the semester you and up to two other classmates will become experts in an industry of your choice. You will choose a company and perform the initial phases of an audit. You will get to know who they are, what they do, how they operate, what their key risks are, etc. By comparing this company to its competitors you will develop expertise in this industry. This project will require you to directly apply auditing class concepts to companies and industry. Please see detailed case description for instructions on how to submit various case components.

Individual Core Objective Assessment (40 points): This **individual** case involves planning the audit of a hypothetical client, and is **submitted online**. This assessment requires you to demonstrate the core objectives of critical thinking, communication skills, empirical and quantitative skills, and social responsibility.

Smart Book (SB) Assignments (30 points): Interactive chapter quizzes from McGraw Hill Connect that you access using either a code accompanying the hard-copy textbook or by purchasing the ebook through Connect (SB is part of Connect). The quizzes **help you prepare for class discussion and exams, and identify difficult sections of chapters**. SB Assignments are **completed entirely online**. There are 15 LS assignments worth 2 points apiece. Each assignment will be released a week before it is due (3:00 PM the day we cover the chapters in class). If you would prefer an alternative assignment, detailed notes or chapter outlines may be submitted instead. Each will be required to be unique for individual students. If the alternative assignment is being abused all individuals submitting the alternative assignment may be asked to complete pop quizzes.

Cases (30 points): We will complete approximately 6 cases throughout the semester (tentatively planned on the syllabus). Points will be allocated between the cases at professor's discretion; cases will be graded on effort, completeness, and correctness. These cases will be more frequent within Unit 2 and 3 during the semester. Most cases will be completed in cases (see indication on syllabus), some will require prep work (Confirmation case, Vouch and Trace), others will be completed outside of class (If you Need Love). Cases due before class will be due at 3:00pm, class completed in class will be due two days following class at 3:00pm. All cases will be submitted through Canvas. Students will be responsible for completing case on their own in the case they miss class. Planned cases may include:

- substantive testing of revenue (Vouch and Trace)
- sampling,
- fraud risk assessment,
- Analytic Procedures for Revenues,
- fraud at a local government (If you need love),
- Cash confirmations,
- And, audit reporting issues.

Professionalism (20 points): This assessment is based on the following components:

- Participation: *Material* contribution to class discussion *throughout* the semester in class and/or on discussion boards in Canvas. Prepare to attend each class, complete readings, and be ready to ask and answer questions. Attendance is factored into this component of the grade. Taking notes does not constitute participation. Failure to attend will be viewed as a failure to participate.
- Not causing distraction by using **audio recorders, cell phones, laptops**, etc. **Active use** of any electronic communication device is prohibited without explicit approval from me.
- Professionalism of emails and appointments. You do not need an appointment during office hours. If you make an appointment outside of office hours, you should either arrive on time or notify me in advance that you cannot attend on time.
- You are strongly encouraged to dress in professional attire (**business casual**) when guest speakers attend.
- Discussion questions will be provided throughout an online class. Each discussion question will be worth 1.5 points. 1 point for your initial post and .5 points for your replies to two other students. Each post should be substantive, individual, and demonstrate critical thinking. Superficial posts or responses will not be graded.

Online materials: Class recordings are reserved for use only by students in this class for educational purposes. The recordings should not be shared outside the class in any form. Failing to follow this restriction is a violation of the UNT Code of Student Conduct and could lead to disciplinary action.

Electronic Recording: Video or audio recording of any part of the class is prohibited (without approved accommodations by ODA). Violations will result in a 0 on the next assignment or test (which ever first). Please use Daily Log instead for other summaries of class discussions and announcements.

Class Recordings & Student Likenesses: Synchronous (live) sessions in this course will be recorded for students enrolled in this class section to refer to throughout the semester. Class recordings are the intellectual property of the university or instructor and are reserved for use only by students in this class and only for educational purposes. Students may not post or otherwise share the recordings outside the class, or outside the Canvas Learning Management System, in any form. Failing to follow this restriction is a violation of the UNT Code of Student Conduct and could lead to disciplinary action.

Attendance: All students are responsible for regular and punctual attendance and are expected to participate in this course. If you are absent, you should contact a classmate to obtain notes for that day, and follow up with me if you have questions. If you miss submitting an assignment due to an absence, you must contact me as soon as possible. You will receive no credit for missed assignments due to unexcused absences. See above for the impact of absences on exam dates. You can find the UNT policy on Student Attendance and Authorized Access at: <https://policy.unt.edu/policy/06-039>.

COVID-19 impact on attendance:

While attendance is expected as outlined above, it is important for all of us to be mindful of the health and safety of everyone in our community, especially given concerns about COVID-19. Please contact me if you are unable to attend class because you are ill, or unable to attend class due to a related issue regarding COVID-19. It is important that you communicate with me prior to being absent as to what may be preventing you from coming to class so I may make a decision about accommodating your request to be excused from class.

If you are experiencing cough, shortness of breath or difficulty breathing, fever, or any of the other possible symptoms of COVID-19 (<https://www.cdc.gov/coronavirus/2019-ncov/symptoms->

testing/symptoms.html) please seek medical attention from the Student Health and Wellness Center (940-565-2333 or askSHWC@unt.edu) or your health care provider. While attendance is an important part of succeeding in this class, your own health, and those of others in the community, is more important.

Turnitin: Turnitin is an online tool available to faculty at UNT to help detect academic misconduct. Assignments may be submitted to Turnitin at the instructor's discretion.

Late assignments: Late assignments will **receive a zero** that cannot be made up in any way, unless you provide adequate documentation from the Dean of Students. **Deadlines**, unless otherwise noted, are 11:59pm on the day shown on the syllabus. **When it comes to due dates, the syllabus is always right, Canvas is not.**

Academic Dishonesty: Academic dishonesty will not be tolerated. Academic dishonesty includes cheating, plagiarism, forgery, fabrication, facilitating academic dishonesty, and sabotage. These actions are defined in the UNT Student Academic Integrity Policy, available at <http://policy-dev.unt.edu/policy/06-003>. You can find additional information on academic integrity at <http://facultysuccess.unt.edu/academic-integrity>. Possible **penalties** for academic dishonesty include a **zero grade** for the assessment on which the student(s) engaged in academic dishonesty and **course failure**. The failure to return any part of an exam or scantron at any time you have these materials is an act of academic dishonesty that will at minimum result in a **grade of zero for that exam**. Academic dishonesty on team assignments may result in penalties for all team members. Any grade reduction based on academic dishonesty cannot be made up.

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.deanofstudents.unt.edu.

Withdrawals: The Accounting Department strictly enforces university policy regarding **W/WF grades**. If you drop this course after the withdraw date, you must have a passing average (at least 60%) to receive a W grade; otherwise, you will receive a WF. It is your responsibility to be aware of and comply with all deadlines relating to withdrawals.

Disability Accommodations: The University of North Texas makes reasonable academic accommodation for students with disabilities. Students seeking reasonable accommodation must first register with the Office of Disability Accommodation (ODA) to verify their eligibility. If a disability is verified, the ODA will provide you with a reasonable accommodation letter to be delivered to faculty to begin a private discussion regarding your specific needs in a course. You may request reasonable accommodations at any time, however, ODA notices of reasonable accommodation should be provided as early as possible in the semester to avoid any delay in implementation. Note that students must obtain a new letter of reasonable accommodation for every semester and must meet with each faculty member prior to implementation in each class. Students are strongly encouraged to deliver letters of reasonable accommodation during faculty office hours or by appointment. Faculty members have the authority to ask students to discuss such letters during their designated office hours to protect the privacy of the student. For additional information see the Office of Disability Accommodation website at <http://www.unt.edu/oda>. You may also contact them by phone at 940.565.4323. The UNT policy on the Americans with Disabilities Act is available at <https://policy.unt.edu/policy/04-015>.

Emergency Notification and Procedures: UNT uses a system called Eagle Alert to quickly notify students 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 <http://www.my.unt.edu>. Some helpful emergency preparedness actions include: 1) know the evacuation routes and severe weather shelter areas in the buildings where your classes are held, 2) determine how you will contact family and friends if phones are temporarily unavailable, and 3) identify where you will go if you need to evacuate the Denton area suddenly. In the event of a university closure, please refer to Canvas for contingency plans for covering course materials.

Emergency Evacuation Procedures for Business Leadership Building:

- **Severe Weather** In the event of severe weather, all building occupants should immediately seek shelter in the designated shelter-in-place area in the building. If unable to safely move to the designated shelter-in-place area, seek shelter in a windowless interior room or hallway on the lowest floor of the building. All building occupants should take shelter in rooms 055, 077, 090, and the restrooms on the basement level. In rooms 170, 155, and the restrooms on the first floor.
- **Bomb Threat/Fire** In the event of a bomb threat or fire in the building, all building occupants should immediately evacuate the building using the nearest exit. Once outside, proceed to the designated assembly area. If unable to safely move to the designated assembly area, contact one or more members of your department or unit to let them know you are safe and inform them of your whereabouts. Persons with mobility impairments who are unable to safely exit the building should move to a designated area of refuge and await assistance from emergency responders. All building occupants should immediately evacuate the building and proceed to the south side of Crumley Hall in the grassy area, west of parking lot 24.

Access to Information – Eagle Connect: Your access point for business and academic services at UNT occurs within the my.unt.edu site <http://www.my.unt.edu>. All official communication from the university will be delivered to your Eagle Connect account. For more information, please visit the website that explains Eagle Connect and how to forward your e-mail: <http://eagleconnect.unt.edu/>

Teaching Evaluations: I value your input and have modified this course based on student feedback.

Succeed at UNT: UNT endeavors to offer you a high-quality education and to provide a supportive environment to help you learn and grow. 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 <http://success.unt.edu/>. The following are some specific applications of Succeed at UNT for this class:

- Before class: read the chapter, complete the SmartBook, and define key terms from the chapter.
- Print slides or download them to a laptop to assist in taking notes.
- Complete all assignments on time with diligent effort.
- Participate in class discussion to better understand material or to provide relevant examples from your work experience. If you have a question, it is likely other student have a similar one. The more discussion we have, the better.
- Be a responsible teammate within your groups.
- Take advantage of technology resources (e.g., COB computer lab; laptop rentals).
- Ask me questions in class, by email, during office hours, or after class. Please note that I might not be able to address questions immediately before class due to preparing for class.

- If you have doubt about expectations for an assignment, I encourage you to follow up with me before the assignment is submitted or exam is taken. I want you to succeed, and I can help much more before your assessment is submitted.

Finals Week: In the past, UNT has rearranged the final exam schedule due to inclement weather. You should consider this possibility when making end-of-semester travel arrangements.

Course Schedule: Attached is a Course Schedule. The schedule details each day's primary topics, readings, guest speakers and assignments. As the instructor, I reserve the right to revise the Course Schedule, as needed. I will notify you if there are any revisions; however, it is your responsibility to monitor the course website and schedule to stay current.

TENTATIVE SCHEDULE- ACCT 4400 Section 002 and 003

1	M	8/24	Introduction & Audit Process	
1	W	8/26	Introduction & Audit Process	Ch. 1, LS1
2	M	8/31	Audit Environment & Standards	Ch. 2, LS2, AIEP1*
2	W	9/2	Planning, Tests, & Materiality	Ch. 3, LS3
3	M	9/7	Labor Day	No Class
3	W	9/9	Risk Assessment	Ch. 4, LS4, AIEP 2*
4	M	9/14	Review for Exam 1	Review Sheet, AIEP 3*
4	W	9/16	Exam 1	Study
5	M	9/21	Evidence & Documentation	Ch. 5, LS5
5	W	9/23	Evidence & Documentation	Ch. 5, Guest Speaker, AIEP 4*
6	M	9/28	Internal Controls	Ch. 6-7, LS6-7
6	W	9/30	Internal Controls	Vouch and Trace Case^ - Read Background before class
7	M	10/5	Core Objective Assessment	Read Core Objective Materials
7	W	10/7	Audit Sampling	Ch. 8, LS8
8	M	10/12	Audit Sampling	Ch. 9, LS 9
8	W	10/14	Audit Sampling Case	Audit Sampling Case^
9	M	10/19	Auditing Revenue	Ch. 10, LS10
9	W	10/21	Auditing Revenue Case	Auditing Revenue Case^, AIEP 5*
10	M	10/26	Review for Exam 2	Review Sheet Core Objective due*
10	W	10/28	Exam 2	Study
11	M	11/2	Completing the Audit	Ch. 17, LS17
11	W	11/4	Audit Reports	Ch. 18, LS18 Industry Experts Projects Due**
12	M	11/9	Audit Reports Case	Audit Reports Case^
12	W	11/11	Ethics & Professional Conduct	Ch. 19 If You Need Love, Get a Puppy* Q1(2), Q2(2)
13	M	11/16	Legal Liability	Ch. 20
13	W	11/18	Fraud Risk Management	Ch.4
14	M	11/23	Auditing Cash	Ch 16, LS16
14	W	11/25	Confirmation Case	Confirmation Case^
15	M	11/30	Fraud Risk Management	Fraud Case^
15	W	12/2	Fraud Risk Management ----- Review for Final Exam	
16	M	12/7	Final Exam (2:00 class)	1:30 p.m. - 3:30 p.m.
16	W	12/9	Final Exam (12:30 class)	10:30 a.m. – 12:30 a.m.

Note: This syllabus breaks down the class content we would cover in a normal day. I encourage you to attempt all assignments and materials by the assigned days. However, given the online transition, all assignments, except for Exams, are due on Fridays of the week they are assigned at 11:59pm. Exams are due on the specific day assigned on syllabus. Initial Discussion posts are due on Thursday for a given week, and peer responses are due by Friday. Each Module will open on Saturday to allow you time to "work ahead" on a given week.

***Indicates individual assignment. **Indicates team assignment.**