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| **Macintosh HD:Users:macinnis:Desktop:Formal_Leventhal_GrayOnWhite_no_Seal.jpg** | **ACC 373 – Introduction to Auditing and Assurance Services** |
| **Fall 2016: Tuesday/Thursdays – 10 am & 12 pm (BRI 5)**  **Friday Lab 12 noon (JFF105)**  **Professor: Rose Layton**  **Office: ACC 112**  **Office Phone: 213/740-5022 (prefer e-mail)**  **Office Hours: Monday 11-12 pm Tuesdays 9-10 am; or by appointment**  **E-mail: rlayton@marshall.usc.edu** |
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**Course Description**

Auditing and assurance services will be discussed from the perspectives of management and other users of the financial statements and other reports, as well as, the external auditor and other assurance professionals.

**Learning Objectives**

1. Describe auditing and assurance services and be able to understand the client’s business and processes in order to perform the service.
2. Use the professional auditing standards and compare PCAOB standards to US non-issuer and International standards by researching and applying to basic situations.
3. Identify and understand the different audit reports and determine which audit report is appropriate by examining simple case situations.
4. Describe the ethical issues relevant to audit and assurance services including differences between issuers and non issuers and critique dilemmas faced by professionals including legal liability by researching current Accounting and Auditing Enforcement Cases or PCOAB Enforcement Cases and preparing an oral presentation and/or written report.
5. Demonstrate an understanding of client acceptance and basic audit planning including audit risk, management assertions and audit evidence by researching and interpreting case information.
6. Understand the auditor’s responsibility in assessing the risk of fraud and error in financial statements by predicting selected company scenarios.

**Required Materials**

Course Materials:  ACC 373 – You will be able to purchase the required text and MyAccountingLab directly from Pearson or via the bookstore. As soon as I have the information for purchasing on-line I will post it to Blackboard and send an email. I prefer that you purchase a digital text.

On-line access to Audit Standards at the aicpa.org and pcaob.us.org and other articles and websites referenced from the syllabus. (See daily assignments)

Please bring a laptop computer or tablet to class.

**Prerequisites and/or Recommended Preparation:**

ACC 370 and ACC 371 - prerequisites

**Course Notes:**

This course uses Blackboard. All materials, including PowerPoint slides will be maintained on Blackboard. I will also ask use MyAccountingLab and submit other types of assignments in Turnitin, which is located within Blackboard.

**Grading Policies:**

“If you do something long enough, with as much **variety** as possible, you will begin to learn it”. Unknown.

I believe that a variety of skills are necessary to be an excellent professional. Therefore, there are several components to your overall grade.

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| **Component** | **Points** |
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| “Fieldwork” including presenting  Participation/quizzes/cases  Midterm | 5  10  20 |
| Homework  Mini-Audit Workshops/reflection  Case  Fieldtrip and Questions  Group Member evaluations | 5  10  10  5  \* |
| Final Exam  **Total** | 35  100 |
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Please see the Leventhal School of Accounting grading policy attached. All of the sections of ACC 373 will be curved together. Historically, accounting electives’ mean GPA target is a 3.3. See LSOA Important dates at the end of this document for information on withdrawal and incomplete marks. \* considered for overall grade in group projects

After each grade is posted or returned, you will have **one week to challenge** your grade in writing. After this time, the grades will become final.

“Fieldwork” including presenting

This assignment helps the concepts become reality. You will go out and observe and document some of the concepts that we use in audit and assurance. You will submit a video on your findings. The assignment will be posted to Blackboard.

Participation/ Exercises

It is important that you participate in class in order to maximize your understanding of the materials. I will call on individuals both voluntary and randomly. There are short assignments that will be given in class or communicated via Blackboard to further work on concepts learned in class.

**We will work on some of the exercises in class-so you will need your materials.**

Midterm

This midterm will cover the material that has been covered through the last class prior to the midterm. It is a way of testing your understanding of the concepts that have been covered. The midterm must be taken at the time designated.

Homework:

You will utilize MyAccountingLab to complete homework assignments in advance of class. **No late assignments will be accepted.**

Mini-Audit Workshop:

You will attend two/three mini-audit workshops and have the opportunity to interact with some of the large accounting firms and learn more about auditing. Each student will participate in these opportunities. Details will be discussed in class. A written assignment to turn in via Blackboard is expected. If you do not participate in the workshops, you will not be awarded the points assigned.

Case:

You will be given a case to prepare with your group that will include a presentation. All members of the group must participate in order to receive credit. More details will be given in class.

Group Evaluations:

You will be allowed to evaluate your group members for their participation in class exercises and discusses. This will be considered for individual performance. You must evaluate each of your teammates performance in order to receive credit for your assignments.

Fieldtrip:

We will go to a factory and observe the manufacturing process. There will be questions that will be answered individually that will test your understanding of what an auditor would observe in a client visit.

Final Exam:

There is a written final exam.The test format and topics will be discussed in class. The final exams must be taken at the time designated on the schedule.

**Retention of Graded Coursework**

Final exams and all other graded work which affected the course grade will be retained for one year after the end of the course ***if*** the graded work has not been returned to the student (i.e., if I returned a graded paper to you, it is your responsibility to maintain it).

**Technology Policy**

Laptop and Internet usage is permitted during academic or professional sessions when engaged in a technology related class activity. Use of other personal communication devices, such as cell phones, is considered unprofessional and is not permitted during academic or professional sessions. ANY e-devices (cell phones, iPads, other texting devices, laptops, I-pods) must be completely turned off during class time. Use of any recorded or distributed material is reserved exclusively for the USC students registered in this class.

Statement for Students with Disabilities

The Office of Disability Services and Programs ([www.usc.edu/disability](http://www.usc.edu/disability)) provides certification for students with disabilities and helps arrange the relevant accommodations.  Any student requesting academic accommodations based on a disability is required to register with Disability Services and Programs (DSP) each semester. A letter of verification for approved accommodations can be obtained from DSP. Please be sure the letter is delivered to me (or to your TA) as early in the semester as possible. DSP is located in GFS (Grace Ford Salvatori Hall) 120 and is open 8:30 a.m.–5:00 p.m., Monday through Friday. The phone number for DSP is (213) 740-0776. Email: ability@usc.edu.

**No recording and copyright notice**

*No student may record any lecture, class discussion or meeting with me without my prior express written permission*.  The word “record” or the act of recording includes, but is not limited to, any and all means by which sound or visual images can be stored, duplicated or retransmitted whether by an electro-mechanical, analog, digital, wire, electronic or other device or any other means of signal encoding.  I reserve all rights, including copyright, to my lectures, course syllabi and related materials, including summaries, Power Points, prior exams, answer keys, and all supplementary course materials available to the students enrolled in my class whether posted on Blackboard or otherwise.  They may not be reproduced, distributed, copied, or disseminated in any media or in any form, including but not limited to all course note-sharing websites.  *Exceptions are made for students who have made prior arrangements with DSP and me*.

**Emergency Preparedness/Course Continuity**

In case of a declared emergency if travel to campus is not feasible, USC executive leadership will announce an electronic way for instructors to teach students in their residence halls or homes using a combination of Blackboard, teleconferencing, and other technologies.

Please activate your course in Blackboard with access to the course syllabus. Whether or not you use Blackboard regularly, these preparations will be crucial in an emergency. USC's Blackboard learning management system and support information is available at [blackboard.usc.edu](http://blackboard.usc.edu/).

**Statement on Academic Integrity, Conduct and Support Systems** **Academic Conduct:**

Plagiarism – presenting someone else’s ideas as your own, either verbatim or recast in your own words – is a serious academic offense with serious consequences. Please familiarize yourself with the discussion of plagiarism in *SCampus* in Section 11, *Behavior Violating University Standards* <https://scampus.usc.edu/1100-behavior-violating-university-standards-and-appropriate-sanctions/>. Other forms of academic dishonesty are equally unacceptable. See additional information in *SCampus* and university policies on scientific misconduct, <http://policy.usc.edu/scientific-misconduct/>.

Discrimination, sexual assault, and harassment are not tolerated by the university. You are encouraged to report any incidents to the *Office of Equity and Diversity* <http://equity.usc.edu/> or to the *Department of Public Safety* <http://capsnet.usc.edu/department/department-public-safety/online-forms/contact-us>.  This is important for the safety whole USC community. Another member of the university community – such as a friend, classmate, advisor, or faculty member – can help initiate the report, or can initiate the report on behalf of another person. *The Center for Women and Men* <http://www.usc.edu/student-affairs/cwm/> provides 24/7 confidential support, and the sexual assault resource center webpage [sarc@usc.edu](mailto:sarc@usc.edu) describes reporting options and other resources.

**Support Systems**

Students whose primary language is not English should check with the *American Language Institute* <http://dornsife.usc.edu/ali>, which sponsors courses and workshops specifically for international graduate students.  *The Office of Disability Services and Programs* ([www.usc.edu/disability](http://www.usc.edu/disability))provides certification for students with disabilities and helps arrange the relevant accommodations.  If an officially declared emergency makes travel to campus infeasible, *USC Emergency Information* (<http://emergency.usc.edu/>) will provide safety and other updates, including ways in which instruction will be continued by means of blackboard, teleconferencing, and other

**INDIVIDUAL CLASS TOPICS AND ASSIGNMENTS**

| **Class** | **T** | Th | **F** | **Discussion** | **Readings** | **Assignments/**  **Presentations**  **MyAccountingLab –see for assigned homework and due dates** |
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|  |  |  |  | **Week 1** |  |  |
| 1 | 1/10 |  |  | Introduction Auditing and Assurance Services/  The CPA Profession | AICPA: Non-issuers (private)  <http://www.aicpa.org/Research/Standards/AuditAttest/Pages/clarifiedSAS.aspx>  PCAOB: Issuers (public) <https://pcaobus.org/Standards/Auditing/Pages/ReorgStandards.aspx>  IFAC: International  <http://www.ifac.org/auditing-assurance/clarity-center/clarified-standards>  **Chapter 1 & 2** | Please click on links. These are the standards used by auditors. |
| 2 |  | 1/12 |  | Audit Reports | **Chapter 3** | Unified Grocers |
|  |  |  | 1/13 | **No Lab** | **Enjoy your weekend!!!** |  |
|  |  |  |  | **Week 2** |  |  |
| 3 | 1/17 |  |  | Audit Responsibilities & Objectives Management Assertions/ Audit Reports | **Chapter 6** | Discuss “Fieldwork”  First day MyAccountingLab is due!! |
| 4 |  | 1/19 |  | Management Assertions | **Chapter 6** | “Audit Fieldwork”  MyAccountingLab is due!! |
| 5 |  |  | 1/20 | **Lab** | **Meet JFF 105 at noon** |  |
|  |  |  |  | **Week 3** |  |  |
| 6 | 1/24 |  |  | Audit Evidence | **Chapter 7** | MyAccountingLab is due!! |
| 7 |  | 1/26 |  | Audit Planning & Materiality | **Chapter 8** | MyAccountingLab is due!! |
|  |  |  | **1/27** | **No Lab** |  |  |
|  |  |  |  | **Week 4** |  |  |
|  | 1/31 |  |  | **No Class** |  | MyAccountingLab is due!! |
| 8 |  | 2/2 |  | MIDTERM |  |  |
| 9 |  |  | **2/3** | **Lab** | **Meet JFF 105 at noon** |  |
|  |  |  |  | **Week 5** |  |  |
| 10 | 2/7 |  |  | Assessing the Risk of Material Misstatement | **Chapter 9** | MyAccountingLab is due!! |
| 11 |  | 2/9 |  | Assessing & Responding to Fraud | **Chapter 10** | MyAccountingLab is due!! |
|  |  |  | 2/10 | **No Lab** |  |  |
|  |  |  |  | **Week 6** |  |  |
| 12 | 2/14 |  |  | Internal Control | **Chapter 11** | MyAccountingLab is due!! |
| 13 |  | 2/16 |  | Overall Audit Strategy & Audit Program | **Chapter 13** | MyAccountingLab is due!! |
|  |  |  | **2/17** | **No Lab** |  |  |
|  |  |  |  | **Week 7** |  |  |
| 14 | 2/21 |  |  | Ethics /Legal Liability | **Chapters 4 & 5** | MyAccountingLab is due!! |
| 15 |  | 2/23 |  | Discussion | **Review** |  |
| 16 |  |  | 2/24 | **Lab** | **JFF 105 12 noon** |  |
|  |  |  |  | **Week 8** |  |  |
| 17 | 2/28 |  |  | **Final** |  |  |

**LSOA GUIDELINES**

The Leventhal School of Accounting adheres strictly to the grading standards of the University and the School of Business Administration. Additionally, the Leventhal School of Accounting has supplemented those standards with certain others. For students' convenience, and to prevent misunderstanding, these additional standards are summarized below.

**GRADING STANDARDS**

The following grades are used: A - excellent; B - good; C - fair; D - minimum passing; F ‑ failure. The grade of F is awarded for failing work at the end of the semester. The assignment of minuses and pluses when earned is required.

The grade of W (Withdraw) is assigned if the student officially withdraws after the third week but before the end of the twelfth week of the semester. No withdrawals will be permitted after the end of the twelfth week except by student petition to the University's Committee on Academic Policies and Procedures. See above dates in syllabus – this course is NOT a full semester and has different dates.

Students may elect to audit courses during the first three weeks of the semester. A course taken for audit (V) will be assessed at the current tuition rate. A course taken for audit (V) will not receive credit and will not appear on the USC transcript or grade report. Under no circumstances will the University allow a change in the registration status of a course from letter grade or credit to audit (V) or vice versa after the third week of a given semester.

**Incomplete Grades Explanation**

In incomplete (IN) grade may be assigned due to an “emergency” that occurs after the 6th week of classes for half semester courses or the 12th week for full-semester courses. An “emergency” is defined as a serious documented illness, or an unforeseen situation that is beyond the student’s control, that prevents a student from completing the semester. Prior to the 6th or 12th week, the student still has the option of dropping the class. Arrangements for completing an IN course should be initiated by the student, and negotiated with the instructor. Class work to complete the course should be completed within one calendar year from the date the IN was assigned. The IN mark will be converted to an F grade should the course not be completed.

**Academic Integrity – Leventhal School of Accounting Honor Code**

Students enrolled in any class offered by the Leventhal School of Accounting are expected to uphold and adhere to the standards of academic integrity established by the Leventhal School of Accounting Student Honor Code. Students are responsible for obtaining, reading, and understanding the Honor Code System handbook. Students who are found to have violated the Code will be subject to disciplinary action as described in the handbook. For more specific information, please refer to the Student Honor Code System handbook, available in class or from the receptionist in ACC 101.

**G.P.A. PREREQUISITES FOR UNDERGRADUATE ACCOUNTING COURSES**

The grade point average prerequisites for any undergraduate student enrolled in any accounting course is a minimum 2.7 G.P.A. for all completed accounting courses. In computing grade point average prerequisites, BUAD 250ab, 280, 281, 305 and 302T are considered accounting courses.

Grades in accounting courses taken at other institutions will not be included in the computation of the cumulative accounting grade point average.

When a student's cumulative accounting grade point average falls below 2.7, the student is placed on probation. If a student on probation does not regain a minimum accounting cumulative GPA of 2.7 after completing the next 12 semester hours in all courses (including accounting courses) attempted within the University, that student will not be permitted to continue as an accounting major in the Leventhal School of Accounting. Exceptions to this policy may be granted only in unusual circumstances by the Academic Standards Committee of the Leventhal School of Accounting. Decisions of the Academic Standards Committee are final.

To be removed from probationary status, a student may elect either to take another accounting course or courses for which prerequisites are met or to repeat an accounting course or courses in an attempt to earn a higher grade. Regardless of the course of action taken, all courses completed will be counted in computing the cumulative accounting grade point average.

The grade of "W" in an accounting course taken while a student is on probation will not extend probation. The probation period ends at the end of that semester during which the student completes a cumulative total of 12 semester hours of courses in any subject(s) at the university. Under no conditions will the student be permitted more than two successive semesters, including the summer semester, to complete the 12 semester hours of courses.

Students must attain a minimum 2.7 cumulative accounting grade point average to graduate with a Bachelor of Science in Accounting degree.

See the USC Catalogue for further restrictions on including grades in repeated classes in the overall grade point average computation.

**OTHER ACADEMIC STANDARDS**

The ability of students to write clearly and concisely is a necessary prerequisite to success in accounting work. Accordingly, students will be required to demonstrate writing capability in all accounting courses. This may be accomplished primarily through the inclusion of essay-type questions on course examinations.

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| **LSOA STUDENT LEARNING OBJECTIVES** | | | |
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| **OBJ 1** | Technical Knowledge  **Heavy (373)** | Students will demonstrate technical proficiency in the accounting discipline, including the use of technical accounting knowledge to help solve problems and make decisions. |  |
| **OBJ 2** | Research, Analysis and Critical Thinking  **Moderate (373)** | Students will demonstrate the ability to research, critically analyze, synthesize, and evaluate information including professional standards for decision making in the local, regional and global business environment. |  |
| **OBJ 3** | Ethical Decision Making  **Light (373)** | Students will demonstrate an understanding of ethics, ethical behavior and ethical decision-making. |  |
| **OBJ 4** | Communication  **Moderate (373)** | Students will demonstrate the ability to communicate ideas both orally and in writing in a clear, organized and persuasive manner. |  |
| **OBJ 5** | Leadership, Collaboration and Professionalism  **Light (373)** | Students will demonstrate leadership skills and the ability to work cooperatively and productively to accomplish established goals. |  |

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| **USC Leventhal School of Accounting** | |
| **Important Dates** | |
| **Spring 2017** | |
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| First Day of Class | Monday, January 9 |
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| Accounting Orientation – ACCT-370 lab time | Friday, January 13, 10am |
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| Martin Luther King Jr. Birthday, University Holiday | Monday, January 16 |
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| USC Career Fest | January 30 - February 3 |
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| Resumes for Spring Resume Book due | Friday, February 3 at **8am** |
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| Leventhal Scholarship Applications Due | Monday, February 6 |
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| USC Career Day | Thursday, February 9 |
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| Summer Leadership Programs, Information Session Panel | Friday, February 10, Noon |
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| Meet the Firms – Galen Center (Accounting Society) | Wednesday, February 15, 6-9pm |
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| Presidents' Day, University Holiday | Monday, February 20 |
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| Spring Break | Monday, March 13 - Friday, March 17 |
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| LSOA Annual Scholarship Dinner | Wednesday, April 19 |
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| Last Class Meeting for Regular (001) and 442 sessions | Friday, April 28 |
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| Study Days | Saturday- Tuesday, April 29- May 2 |
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| Commencement | Friday, May 12 |
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| **First-Half Session Dates (Session 431), January 11 - March 2** |  |
| Last Day to Add or Drop first half ACCT/BUAD courses w/out a “W” | Tuesday, January 17 |
| Last Day to Change from P/NP to Letter Grade | Tuesday, January 31 |
| Last Day to Drop first half ACCT/BUAD courses with a "W" | Tuesday, February 14 |
| Final Exams for first half ACCT/BUAD courses | Monday, February 27 - Friday, March 2 |