

Spring 2016– Tuesday/Thursdays –12 noon & 2 pm (ACC 303)

Professor: Rose Layton

Office: ACC 112

Office Phone: 213/740-5022 (prefer e-mail)

Office Hours: T 2-3 pm & TH 2-5 pm

E-Mail: rlayton@marshall.usc.edu

Course Description

Financial statement auditing will be discussed from the perspectives of the external auditor, the standard setters and management.

Learning Objectives

1. Appraise the client business and industry in order to assess audit risk and plan the auditor's audit approach by preparing a written cases and presenting information in class.
2. Construct preliminary analytical procedures for the purpose of understanding selected company data and predicting expected results.
3. Assess control risk and recommend the approach for testing controls by reviewing information available on selected company.
4. Select the appropriate management assertions and recommend testing to gather appropriate sufficient audit evidence by describing assertions and testing for identified company process.
5. Understand the concepts of sampling and the effects of changes in techniques and parameters by using Computer Assisted Auditing Tools to a case and preparing a written report demonstrating an understanding of performing this analysis and interpreting the results.
6. Identify the steps necessary to complete and conclude on an audit by discussing situations presented in class.

Required Materials

Course Pack Title: ACC 473 – Financial Statement Auditing Course Pack ID: 561271 Course Pack ISBN: 1323096760 (available for purchase online only).

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)

Business news-specifically accounting/auditing related.

Prerequisites Preparation:

ACC 373

Course Notes:

This course uses Blackboard. All materials, including PowerPoint slides will be maintained on Blackboard. I will also ask that you turn in assignments in Turnitin, which is located within Blackboard.

Grading Policies:

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

Component	Points
Cases (6 cases – 1 dropped)	100
Lead Presentation	10
Quizzes	30
ACL or IDEA project	50
Lab Activity	25
Participation/in-class assignments	15
Evaluation of Team	20
Final	200
Total	<u>450</u>

Please see the Leventhal School of Accounting grading policy attached. All of the sections of ACC 473 will be curved together. Historically, accounting electives' mean GPA target is a 3.3. 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.

Prepared Cases:

You will select a group on the first day of classes. Each group will have 3-4 members. All groups are required to turn in a digital copy of **each** case (20 points per case); one case is individual. I will drop the lowest case only if you complete all six cases. One or two groups will be responsible to present the case and initiate discussion on the case. All members of the group will receive the same grade unless their level of participation is not the same as the other group members. Each group member will sign (electronic) their name indicating their level of participation in each project. Please note that it is an **honor code violation** to indicate that you have participated, when in fact you have not participated in the project. Additionally, each group member is held responsible for the level of participation of the group members. The cases will be in the on-line text and I will discuss in class. **No late papers or presentations will be accepted. The total points assigned to the case preparation are 100 plus 10 points for presentation lead.**

Quizzes

There are three quizzes based upon knowledge acquired in previous classes. The total points for the three quizzes are 30 points.

ACL or IDEA project

A group with only 2 members (your choice) will be formed for the ACL or IDEA project. See the course schedule for exact dates. It will be turned in via Blackboard. You will utilize CAAT software (a Computer Assisted Audit Tool) to complete requirements. You will receive more information as the semester progresses.

Lab Activity

There are two labs this semester. One lab will have a graded activity and the other lab will have a speaker with advance questions submitted.

Participation and in-class activities

You will be expected to fully participate in the case discussions for prepared questions, as well as, the additional questions prepared in the classroom. We will also do exercises during class.

Group Evaluations:

You will be allowed to evaluate your group members at the conclusion of the course.

Examination:

There is one written examination for this class. Details regarding the final will be provided in class. The exam will consist of a case with several questions.

Retention of Graded Coursework

Final exams and all other graded work which affected the course grade will be retained for one year on-line 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, PDAs, I-Phones, Blackberries, 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

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 STU 301 and is open 8:30 a.m.–5:00 p.m., Monday through Friday. The phone number for DSP is (213) 740-0776. For more information visit www.usc.edu/disability.

Statement on Academic Conduct and Support Systems:

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.

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 describes reporting options and other resources.

Support Systems

A number of USC's schools provide support for students who need help with scholarly writing. Check with your advisor or program staff to find out more. 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* http://sait.usc.edu/academicssupport/centerprograms/dsp/home_index.html 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 technology.

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.

INDIVIDUAL CLASS TOPICS AND ASSIGNMENTS

Class	T	Th/F	Discussion	Readings	Assignments/ Presentations
			Week 1		
1	3/8		Audit Introduction/ Discussion of Case Preparation	AICPA: http://www.aicpa.org/Research/Standards/AuditAttest/Pages/clarifiedSAS.aspx PCAOB: http://pcaobus.org/Standards/Auditing/Pages/default.aspx AU-C-200 .12,A2, A22, A27, A36-.A47	
2		3/10	Client Acceptance/ Discussion of Audit Concerns/ Professional Judgment	AU-C-210 -.09, .10 .A23, A42 Disclosure on Name of Partner AU-C-300 .07-.11,A25 SQCS 8 .27 -30, A11-13 (AICPA) QC Section 20 .14-.16 (PCAOB)	Professional Judgment Case Prepare 1-4 in advance; remainder in classroom
			SPRING BREAK	March 15 th -19 th	Enjoy!
			Week 2		
3	3/22		Client Acceptance/ Discussion of Audit Concerns/ Professional Judgment	AU-C-315 .12,28-.29,A18, A24, A30, A32, A38, A114, A116, A117 AS 12 7-17	Case 1.1 Prepare 1-5 in advance; 6 in class
4		3/24	Confirmations	Introduction to use of internet confirmations AU-C 505	Quiz
			Week 3		
5	3/29		Understanding the Client's Entity and Its Environment/ Evaluating Internal Control over Financial Reporting	AU-C-315 .13-.25, .A44, .A53, .A61, .A62, .A69, .A71, A72, A81-.84, A91 AS 5 - .46-.56 AS 12 .18-.40	Quiz
6		3/31	Analytical Procedures	AU-C-520 .01,05,06,A2, A3, A17, A24	Case 4.1 Prepare 1,2,3,6,7
7		4/1	Lab	Graded Activity	Financial Analysis

Class	T	Th/F	Discussion	Readings	Assignments/ Presentations
			Week 4		
8	4/5		Audit Strategy & Audit Program	Chapter 13	Quiz
9		4/7	Audit of Sales and Collections	Chapter 14	Case 4.2 - Prepare 1,2,3,4,7 in advance
			Week 5		
10	4/12		Audit of Sales and Collections	Confirmations AU 505	Confirmation Case due
11		4/14	Audit Sampling & ACL	Chapter 15 AU-C-530 .01-.11,A21 AU-C 330.07-.24 AU-C-500; A1-9; A17-23 AS 13	Case 9.7 Prepare 1,2 in advance; 3, 4 in class
13		4/15	Lab	Speaker	Submit Questions
			Week 6		
14	4/19		Acquisitions & Payments	Chapter 18	18-31-In-class activity
		4/21	Inventory	Chapter 21	21-24 -In-class activity
			Week 7		
15	4/26		Completing the Audit	AU-C-560 .09-.18 AU-C-580 .09-.26 skim exhibit A	
16		4/28	Review		ACL Case Due
			Finals Week		
17			Final	10 am class- May 10th at 11 am 12 noon class- May 11th at 2 pm	

LSOA STUDENT LEARNING OBJECTIVES

OBJ 1	Technical Knowledge Heavy (473)	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 Heavy (473)	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 (473)	Students will demonstrate an understanding of ethics, ethical behavior and ethical decision-making.
OBJ 4	Communication Heavy (473)	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 Heavy (473)	Students will demonstrate leadership skills and the ability to work cooperatively and productively to accomplish established goals.

USC Leventhal School of Accounting
Important Dates
Spring 2016

First Day of Class	Monday, January 11
Accounting Orientation – ACCT-370 lab time	Friday, January 15, 10am
Martin Luther King Jr. Birthday, University Holiday	Monday, January 18
USC Career Fest	January 25 - January 29
USC Career Day	Thursday, February 4
Resumes for Spring Resume Book due	Friday, February 5 at 8am
Leventhal Scholarship Applications Due	Monday, February 8
Summer Leadership Programs, Information Session Panel	Friday, February 12, Noon
Presidents' Day, University Holiday	Monday, February 15
Meet the Firms – Galen Center (Accounting Society)	Thursday, February 18, 6-9pm
Spring Break	Monday, March 14 - Friday, March 18
LSOA Annual Scholarship Dinner	Thursday, April 21
Last Class Meeting for Regular (001) and 442 sessions	Friday, April 29
Study Days	Monday & Tuesday, May 2 & 3
Commencement	Friday, May 13
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Second-Half Session Dates (Session 442), March 7 - May 11	
First Day of Classes for second half ACCT/BUAD courses	Monday, March 7
Last Day to Add or Drop second half ACCT/BUAD courses w/out a “W”	Tuesday, March 15
Last Day to Drop ACCT/BUAD courses with a “W”	Monday, April 18
Final Exams	Wed., May 4 – Wed., May 11