

**Professor: Rose Layton**

**Office: ACC 112**

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**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. Understand Professional Judgment and Professional Skepticism.
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. Understand the choices of audit procedures to perform both tests of control and substantive testing.
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**

Pearson Textbooks: Arens, Elders, Beasley,Hogan. Auditing and Assurance Services (select chapters) with MyAccountingLab. (Note: students completing ACC 373 in Fall 2016 already have on-line access) I will send an email via Blackboard for the other students on how to purchase access. Select Beasley, Buckless, Glover & Prawitt, 6<sup>th</sup> edition. Auditing Cases. I will send an email via Blackboard on how to purchase. On-line access to Audit Standards at the [aicpa.org](http://aicpa.org) and [pcaob.us.org](http://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.

<b>Component</b>	<b>Points</b>
Cases (3 cases)	<b>30</b>
Confirmation case	<b>15</b>
Lead Presentation	<b>10</b>
MyAccountingLab	<b>30</b>
ACL project	<b>55</b>
Tableau	<b>25</b>
Speaker	<b>20</b>
Participation/in-class assignments	<b>15</b>
Evaluation of Team	*
Final	<b><u>200</u></b>
<b>Total</b>	<b><u>400</u></b>

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. \* considered for overall grade in group projects.

**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. The Confirmation Case is Individual. 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.**

**Homework/:**

You will utilize MyAccountingLab to complete homework assignments per MyAccountingLab schedule. **No late assignments will be accepted.**

### ACL project and Tableau

You will have an ACL and Tableau Project. You will utilize CAAT software (a Computer Assisted Audit Tool) to complete requirements. You will utilize a visualization software – Tableau- to complete this assignment. You will receive more information as the semester progresses.

### Lab Activity

There are two speakers this semester. One will be during class time, the other will be during our Friday 2 pm lab. One 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](http://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](http://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/academicsupport/centerprograms/dsp/home\\_index.html](http://sait.usc.edu/academicsupport/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](http://blackboard.usc.edu).

## INDIVIDUAL CLASS TOPICS AND ASSIGNMENTS

Class	T	Th/F	Discussion	Readings	Assignments/ Presentations
			<b>Week 1</b>		
1	10/18		Audit Introduction/ Professional Judgment Case	Read Professional Judgment Case	
2		10/20	Audit Strategy & Audit Program	Chapter 13	Professional Judgment Case Questions Due Presentation
			<b>Week 2</b>		
3	10/25		Audit Strategy & Audit Program	Chapter 13 Case 2.2 Apple Case	MyAccounting Homework Due for Ch. 13
4		10/27	Speaker at 2 pm class ONLY	Prepare discussion questions	Apple Case Questions Due
			<b>Week 3</b>		
5	11/1		Audit of Sales and Collections	Chapter 14	Discuss Apple Case
6		11/3	Audit Sampling Test of Controls and Substantive Testing & ACL	Chapter 15	MyAccounting Homework Due for Ch. 14
			<b>Week 4</b>		
7	11/8		Completing the Sales and Collection Cycle Accounts Receivable	Chapter 16	MyAccounting Homework Due for Ch. 15 Quiz
8		11/10	Sampling	Hooplah Inc.	MyAccounting Homework Due for Ch. 16 Hooplah Inc. questions due Presentation
			<b>Week 5</b>		
9	11/15		Audit of the Acquisition and Payment Cycle and	Chapter 18	Tableau Case Due

Class	T	Th/F	Discussion	Readings	Assignments/ Presentations
			Accounts Payable		
10		11/17	Audit of Inventory and Warehousing	Chapter 21	MyAccounting Homework Due for Ch. 18
11		Friday 11/18	Lab – 2pm	Speaker	ACL Case Due
			<b>Week 6</b>		
12	11/22		Audit of Cash and Financial Instruments	Chapter 23	MyAccounting Homework Due for Ch. 21
		11/24	Thanksgiving	No Class	
			<b>Week 7</b>		
13	11/29		Completing the Audit	Chapter 24	MyAccounting Homework Due for Ch. 23
14		12/1	Cash Confirmation Case and Review	Confirmation and Review	Confirmation Case Due
			<b>Finals Week</b>		
			<b>Final</b>	<b>12 noon class- Dec 13<sup>th</sup> at 11 am</b> <b>2 pm class- Dec 8<sup>th</sup> at 2 pm</b>	

## LSOA STUDENT LEARNING OBJECTIVES

<b>OBJ 1</b>	Technical Knowledge <b>Heavy (473)</b>	Students will demonstrate technical proficiency in the accounting discipline, including the use of technical accounting knowledge to help solve problems and make decisions.
<b>OBJ 2</b>	Research, Analysis and Critical Thinking <b>Heavy (473)</b>	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.
<b>OBJ 3</b>	Ethical Decision Making <b>Light (473)</b>	Students will demonstrate an understanding of ethics, ethical behavior and ethical decision-making.
<b>OBJ 4</b>	Communication <b>Heavy (473)</b>	Students will demonstrate the ability to communicate ideas both orally and in writing in a clear, organized and persuasive manner.
<b>OBJ 5</b>	Leadership, Collaboration and Professionalism <b>Heavy (473)</b>	Students will demonstrate leadership skills and the ability to work cooperatively and productively to accomplish established goals.