

ACC 463 – Internal Audit

Fall 2016 – Tuesday/Thursdays – 4:00 pm (ACC 236)

Professor: Rose Layton

Office: ACC 112

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

Office Hours: TTh 10:00 am-12 pm

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Course Description

Internal audit issues will be discussed from the perspectives of Internal Auditors and their relationship to management, the investors, the regulators, the external auditors and other users of this information.

Learning Objectives

1. Describe internal audit services and be able to differentiate between internal and external auditors.
2. Comprehend the role of internal audit professionals through understanding the value these services have on our economy and the importance integrity and ethical behavior have on our performance of this role.
3. Develop the ability to question and apply critical thinking skills to real world situations involving risk.
4. Understand the business environment that you will be working in by presenting you with some of the types of conditions, events, and situations that you will encounter. This will assist you in planning and executing the engagement.
5. Develop communications skills, both oral presentation and written. These skills are essential to your professional development.

Required Materials

Kurt R. Reding, PhD, CIA, CPA, CMA; Paul J. Sobel, CIA, CRMA; Urton L. Anderson, PhD, CIA, CFSA, CCEP; Michael J. Head, CIA, CPA, CISA, CMA; Sridhar Ramamoorti, PhD, CIA, CFSA, CGAP, CRMA; Mark Salamasick, CIA, CISA, CRMA, CSP; Cris Riddle, MA, CIA, CRMA. *Internal Auditing: Assurance and Advisory Services*. 3rd edition. August 2013. **ISBN: 978-0-89413-740-2**
Prefer Digital Text

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
Midterm	150
Classroom activities and homework	35
Project - written	140
Peer Evaluation	*
Final Project Presentation	75
Final	<u>100</u>
Total	<u>500</u>

Please see the Leventhal School of Accounting grading policy attached. Historically, accounting electives' mean GPA target is a 3.3. * 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.

Exam:

The midterm will consist of multiple choice questions and short answers. **No make-up exams will be given.** Once an exam starts, **you will not be permitted to leave the room until the exam is completed.**

Group Project and Final:

I will assign groups in class during the first week of class. Internal Audit Professionals and myself will assist you. You will be required to do a site visit, discuss the project with the client personnel, and complete the required assignment parameters. You will then prepare a written report and present your findings. You will be evaluated by both the professor and the professionals involved in the project. Further details of the group project will be distributed in class.

The paper and the presentation will be a major portion of the grade in this course.

The final will consist of each group reviewing a group project prepared by another group (assigned by the professor). The criteria for review will be explained.

The project requires outside visit to client location in order to complete the requirements.

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.

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.*

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	Discussion	Readings
			Week 1	
1	10/18		Introduction to Internal Audit Project Discussion	Chapter 1
2		10/20	International Professional Practices Framework	Chapter 1 – turn in Q 4,5,6,12 Chapter 2 – turn in Q 2,5,7,11
			Week 2	
3	10/25		Risk Management	Chapter 4 –turn in Q 3,4,5,12
4		10/27	Fieldwork	MUST HAVE CLIENT Submit name and project
			Week 3	
5	11/1		Business Process & Risk Interviewing Skills	Chapter 5 Appendix 5 – A start in class
6		11/3	Introduction to the Engagement Process	Chapter 12 Appendix 5-A complete
			Week 4	
7	11/8		Midterm	
8		11/10	Fieldwork	Work on Client PROGRESS REPORT DUE
			Week 5	
9	11/15		Conducting Assurance Engagement	Chapter 13 In class questions
10		11/17	Communicating Assurance engagement Outcomes	Chapter 14 PROGRESS REPORT DUE
			Week 6	
10	11/22		Fieldwork	Work on Client
11		11/24	Happy Thanksgiving!	No school
			Week 7	
12	11/29		Project Finalization	In-class activity
13		12/1	Presentations	Groups will be selected to present
			Week 8	
14		12/8	Final Due	4:30 pm

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.

LSOA STUDENT LEARNING OBJECTIVES

OBJ 1	Technical Knowledge Moderate (463)	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 (463)	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 (463)	Students will demonstrate an understanding of ethics, ethical behavior and ethical decision-making.
OBJ 4	Communication Heavy (463)	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 (463)	Students will demonstrate leadership skills and the ability to work cooperatively and productively to accomplish established goals.