

ACC 373 – Introduction to Auditing and Assurance Services

Spring 2018: Monday/Wednesday–10 am; 12 pm (JFF LL125)

Friday Lab 10 am (HOH Edison)

Professor: Rose Layton

Office: ACC 112

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

**Office Hours: Monday/Wednesdays-2-3:30 pm or by
appointment**

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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 access all course material from Blackboard. This will include sites for accessing professional standards and literature, as well as professional articles and other documents. (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.

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.

Component	Points
Participation	10%
Midterm	25%
Case – Fraud/QC	10%
Mini-Audit Workshops/reflection	10%
Case – Watson	5%
Case - Cash	5%
Group Member evaluations	*
Final Exam	<u>35%</u>
Total	<u>100 %</u>

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.

Participation/ Quizzes/Cases

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.

There will be periodic class quizzes on reading materials – announced and unannounced.

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.

Mini-Audit Workshop:

You will attend two 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.

Cases:

You will be given three different cases 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.

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

USC is committed to making reasonable accommodations to assist individuals with disabilities in reaching their academic potential. If you have a disability, which may impact your performance, attendance, or grades in this course and require accommodations, you must first register with the Office of Disability Services and Programs (www.usc.edu/disability). DSP 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.

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 describes reporting options and other resources.

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.

Support Systems

Student Counseling Services (SCS) - (213) 740-7711 – 24/7 on call

Free and confidential mental health treatment for students, including short-term psychotherapy, group counseling, stress fitness workshops, and crisis intervention.

<https://engemannshc.usc.edu/counseling/>

National Suicide Prevention Lifeline - 1-800-273-8255

Provides free and confidential emotional support to people in suicidal crisis or emotional distress 24 hours a day, 7 days a week. <http://www.suicidepreventionlifeline.org>

Relationship & Sexual Violence Prevention Services (RSVP) - (213) 740-4900 - 24/7 on call

Free and confidential therapy services, workshops, and training for situations related to gender-based harm. <https://engemannshc.usc.edu/rsvp/>

Sexual Assault Resource Center

For more information about how to get help or help a survivor, rights, reporting options, and additional resources, visit the website: <http://sarc.usc.edu/>

Office of Equity and Diversity (OED)/Title IX compliance – (213) 740-5086

Works with faculty, staff, visitors, applicants, and students around issues of protected class. <https://equity.usc.edu/>

Bias Assessment Response and Support

Incidents of bias, hate crimes and micro aggressions need to be reported allowing for appropriate investigation and response. <https://studentaffairs.usc.edu/bias-assessment-response-support/>

Student Support & Advocacy – (213) 821-4710

Assists students and families in resolving complex issues adversely affecting their success as a student EX: personal, financial, and academic. <https://studentaffairs.usc.edu/ssa/>

Diversity at USC – <https://diversity.usc.edu/>

Tab for Events, Programs and Training, Task Force (including representatives for each school), Chronology, Participate, Resources for Students

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.

INDIVIDUAL CLASS TOPICS AND ASSIGNMENTS

Class	M	W	F	Discussion	Readings
				Week 1	
1	1/8			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
2		1/10		Auditing and Assurance Services/ The CPA Profession	See Blackboard for Readings & Assignments
			1/12	No Lab	Enjoy your long weekend!!!
				Week 2	
	1/15			NO CLASS Holiday!	
3		1/17		Fraud	See Blackboard for Readings & Assignments
4			1/19	Possible Lab or 2/23 EY	Meet in JFF LL 125 at 10:00 am
				Week 3	
5	1/22			Case work	See case
6		1/24		Professional Skepticism & Bias	See Blackboard for Readings & Assignments
7			1/26	Lab - Deloitte	Meet in JFF LL 125 at 10:00 am
				Week 4	
8	1/29			Audit Risk Model	See Blackboard for Readings & Assignments
9		1/31		Assertions & Materiality	See Blackboard for Readings & Assignments
10			2/2	Lab - Watson	Meet in JFF LL 125 at 10:00 am
				Week 5	
11	2/5			MIDTERM	
12		2/7		Understanding Business	See Blackboard for Readings & Assignments
			2/9	No Lab	
				Week 6	
13	2/12			Audit Evidence – Focus Cash	See Blackboard for Readings & Assignments

Class	M	W	F	Discussion	Readings
14		2/14		Internal Control	See Blackboard for Readings & Assignments
			2/16	No Lab	Enjoy your long weekend!!!
				Week 7	
	2/19			NO CLASS – President’s Day	No class – time to meet in group and prepare presentation
15		2/21		Audit Reports	See Blackboard for Readings & Assignments
			2/23	Possible Lab or 1/19 EY	Meet in JFF LL 125 at 10:00 am
				Week 8	
16	2/26			Final Discussion & Questions	
17		2/28		Final Exam	Final

LSOA STUDENT LEARNING OBJECTIVES

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.

USC Leventhal School of Accounting
Important Dates
Spring 2018

First Day of Class	Monday, January 8
Accounting Orientation – ACCT-370 lab time	Friday, January 12, 10am
Martin Luther King Jr. Birthday, University Holiday	Monday, January 15
USC Career Fest	January 29 - February 2
USC Career Day	Thursday, February 8
Meet the Firms – California Science Center	Tuesday, February 13, 6:30-9pm
Presidents' Day, University Holiday	Monday, February 19
Spring Break	Monday, March 12 - Friday, March 16
LSOA Annual Scholarship Dinner, Town & Gown	Wednesday, April 18
Last Class Meeting for Regular (001) and 442 sessions	Friday, April 27
Study Days	Saturday- Tuesday, April 28- May 1
Commencement	Friday, May 11

First-Half Session Dates (Session 431), January 11 - March 2

First Day of Classes for first half ACCT courses	Monday, January 8
Last Day to Add or Drop first half ACCT courses w/out a "W"	Thursday, January 18
Last Day to Change from P/NP to Letter Grade	Monday, January 29
Last Day to Drop first half ACCT courses with a "W"	Tuesday, February 20
Final Exams for first half ACCT courses	Tuesday, February 27 - Friday, March 2