

**ACCT 473 – Financial Statement Auditing**

Spring 2020– Monday/Wednesday–10 am & 12 pm  
(ACCT 201)

Friday Session – JFF 125

Professor: Rose Layton

Office: ACC 112

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

Office Hours: M 5-6:30 pm and W 8:30-10 or by  
appointment

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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. Select the appropriate management assertions and evidence gathering procedures to gather appropriate sufficient audit evidence by describing assertions and procedures for identified company transactions and accounts.
2. Understand the concepts of sampling and analysis in the selection of audit procedures to gather evidence and the tools available to assist the auditor.
3. Appraise the appropriateness and sufficiency of audit evidence through the use of various audit procedures used to gather the evidence and the appropriateness of the including the use of various technologies utilized.
4. Understand Professional Judgment and Professional Skepticism to develop conclusions on evidence gathered.
5. Identify the steps necessary to complete and conclude on an audit through class examples and discussions.

**Required Materials**

Course Materials: ACC 473 – Purchased website with course materials.  
Please bring a laptop computer or tablet to class.

**Prerequisites Preparation:**

ACC 373

**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>Components</b>	<b>Percent</b>
Assignments & Cases (including in-class assignments)	20%
Midterm	30%
Final	50%
<b>Total</b>	<b>100%</b>

All sections of ACC 473 will be graded 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.

#### Assignments, in-class & homework:

There are various in-class and homework assignments and cases that are identified on the syllabus. These assignments will be graded. Some activities may be group while others will be individual. In total, these assignments will account for 20% of your overall grade. They will be submitted via the course website or Blackboard. **Late assignments will be penalized.**

#### Readings:

You will use the Professional Audit Standards to understand the topics and cases we will be discussing in class. Additionally, I will provide professional readings to supplement the standards.

#### Examination:

There will be a midterm and a more extensive final for this class. Details regarding the both examinations will be provided in class.

#### **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, other texting devices) 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.

#### **USC Statement on Academic Conduct and Support Systems:**

Students are expected to make themselves aware of and abide by the University community's standards of behavior as articulated in the [Student Conduct Code](#). 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 Part B, Section 11, "Behavior Violating University Standards" <https://policy.usc.edu/scampus-part-b/>. 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>.

Module	Dates	Readings/Sources	Assignments/ Cases
<b>1. Review Audit Concepts from ACCT 373</b>	Class 1: M 3/9	<b>Module 1 Readings:</b> None - Review	None
<b>2. Gathering Evidence: Cash Focus on Evidence, Documentation &amp; Confirmation</b>	Class 2: W 3/11	<b>Module 2 Readings:</b> AS 1105 & AU-C 500 Evidence AS 1215 & AU-C 230 Documentation AS 2310 & AU-C 505 Confirmation	Bring laptop or tablet to class: Edu.Confirmation.com
<b>SPRING BREAK</b>	3/16-21	<b>ENJOY!</b>	
<b>3. Gathering Evidence: Inventory</b>	Class 3: M 3/23	<b>Module 3 Readings:</b> AS 2510 & AU-C 501 Inventory AS 1210 & AU-C 620 Use of a Specialist	Inventory Case
<b>4. Reviewing and evaluating results of audit evidence</b>	Class 4: W 3/25	<b>Module 4 Readings:</b> AS 1201 Supervision of the Audit Engagement AS 2315 & AU-C 530 Audit Sampling	Discuss Confirmation.com ACL
<b>5. Gathering Evidence: A/R Confirmations</b>	Class 5: M 3/30	<b>Module 5 Readings:</b> AS 2310 & AU-C 505 Confirmation	Bring laptop or tablet to class:  Begin exercise: A/R Confirmations
<b>Midterm review and catch-up</b>	Class 6: W 4/1		
<b>Midterm</b>	Class 7: M 4/6	<b>Materials through Class 5</b>	
<b>6. Gathering Evidence: Liabilities</b>	Class 8: W 4/8	<b>Module 6 Readings:</b> AS 2401 & AU-C 240 Consideration of Fraud AS 2410 & AU-C 250 Illegal Acts	Bring laptop or tablet to class:  Begin activity: AI

Module	Dates	Readings/Sources	Assignments/ Cases
<b>7. Gathering Evidence: Revenue</b>	Class 9: W 4/15	<b>Module 7 Readings:</b> AS 2305 & AU-C 520 Substantive Analytical Procedures AS 2410 & AU-550 Related Parties	Bring laptop or tablet to class: Work on assignment: AI
<b>8. Entertainment Case – guest speaker</b>	<b>Class 10:</b> <b>F 4/17</b>	<b>Module 8 Readings</b> Read case (on Blackboard) Read chapter on Entertainment Accounting (USC Ares)	Case discussion Turn-in case
<b>9. Auditor Liability/PCAOB</b>	Class 11: M 4/20	<b>Module 9 Readings:</b> PCAOB Enforcement Action	Research Case Answer questions from case
<b>10. Completing the Audit</b>	Class 12: W 4/22  Class 13: M 4/27	<b>Module 10 Readings:</b> <b>AS 2801 &amp; AU-C 560</b> <b>Subsequent Events</b> <b>AS 2505 &amp; AU-C 501</b> <b>Inquiry of Client’s Lawyer</b> <b>AS 2805 &amp; AU-C 580</b> <b>Management Rep</b> <b>AS 2810 Evaluating Audit Results</b>	In-class exercise
<b>Wrap-Up and Review</b>	Class 14: W 4/29	<b>No additional material</b>	
<b>Final</b>	<b>5/8</b>  <b>5/11</b>	<b>12 noon class- Friday,</b> <b>11am-1pm</b> <b>10 am class – Monday,</b> <b>8-10 am</b>	Take final exam

**Important Dates for Second Half Accounting Courses (Session 442)**

Spring Break	Monday-Saturday, March 16-21 <sup>st</sup>
Last day to add or drop without a “W”	Thursday, March 19 <sup>th</sup>
Last day to drop without a “W” or P/NP	Thursday, April 2 <sup>nd</sup>
Last day to drop with a “W”	Wednesday, April 22 <sup>nd</sup>
Last Class Meeting for semester	Friday, May 1 <sup>st</sup>

### **Support Systems**

*Counseling and Mental Health - (213) 740-9355 – 24/7 on call*

[studenthealth.usc.edu/counseling](http://studenthealth.usc.edu/counseling)

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

*National Suicide Prevention Lifeline - 1 (800) 273-8255 – 24/7 on call*

[suicidepreventionlifeline.org](http://suicidepreventionlifeline.org)

Free and confidential emotional support to people in suicidal crisis or emotional distress 24 hours a day, 7 days a week.

*Relationship and Sexual Violence Prevention and Services (RSVP) - (213) 740-*

*9355(WELL), press “0” after hours – 24/7 on call*

[studenthealth.usc.edu/sexual-assault](http://studenthealth.usc.edu/sexual-assault)

Free and confidential therapy services, workshops, and training for situations related to gender-based harm.

*Office of Equity and Diversity (OED)- (213) 740-5086 | Title IX – (213) 821-8298*

[equity.usc.edu](http://equity.usc.edu), [titleix.usc.edu](http://titleix.usc.edu)

Information about how to get help or help someone affected by harassment or discrimination, rights of protected classes, reporting options, and additional resources for students, faculty, staff, visitors, and applicants. The university prohibits discrimination or harassment based on the following *protected characteristics*: race, color, national origin, ancestry, religion, sex, gender, gender identity, gender expression, sexual orientation, age, physical disability, medical condition, mental disability, marital status, pregnancy, veteran status, genetic information, and any other characteristic which may be specified in applicable laws and governmental regulations. The university also prohibits sexual assault, non-consensual sexual contact, sexual misconduct, intimate partner violence, stalking, malicious dissuasion, retaliation, and violation of interim measures.

*Reporting Incidents of Bias or Harassment - (213) 740-5086 or (213) 821-8298*

[usc-advocate.symphlicity.com/care\\_report](http://usc-advocate.symphlicity.com/care_report)

Avenue to report incidents of bias, hate crimes, and microaggressions to the Office of Equity and Diversity | Title IX for appropriate investigation, supportive measures, and response.

*The Office of Disability Services and Programs - (213) 740-0776*

[dsp.usc.edu](http://dsp.usc.edu)

Support and accommodations for students with disabilities. Services include assistance in providing readers/notetakers/interpreters, special accommodations for test taking needs, assistance with architectural barriers, assistive technology, and support for individual needs.

*USC Support and Advocacy - (213) 821-4710*

[uscsa.usc.edu](http://uscsa.usc.edu)

Assists students and families in resolving complex personal, financial, and academic issues adversely affecting their success as a student.

*Diversity at USC - (213) 740-2101*

[diversity.usc.edu](http://diversity.usc.edu)

Information on events, programs and training, the Provost's Diversity and Inclusion Council, Diversity Liaisons for each academic school, chronology, participation, and various resources for students.

*USC Emergency - UPC: (213) 740-4321, HSC: (323) 442-1000 – 24/7 on call*  
[dps.usc.edu](http://dps.usc.edu), [emergency.usc.edu](http://emergency.usc.edu)

Emergency assistance and avenue to report a crime. Latest updates regarding safety, including ways in which instruction will be continued if an officially declared emergency makes travel to campus infeasible.

*USC Department of Public Safety - UPC: (213) 740-6000, HSC: (323) 442-120 – 24/7 on call*  
[dps.usc.edu](http://dps.usc.edu)

Non-emergency assistance or information.

### **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](http://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 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](mailto: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, the *USC Emergency Information* web site (<http://emergency.usc.edu/>) will provide safety and other information, including electronic means by which instructors

will conduct class using a combination of USC’s Blackboard learning management system (blackboard.usc.edu), teleconferencing, and other technologies. 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.

### **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>Light (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>Moderate (473)</b>	Students will demonstrate leadership skills and the ability to work cooperatively and productively to accomplish established goals.
<b>OBJ 6</b>	6. Technology <b>Moderate (473)</b>	Students will demonstrate an understanding of technology issues and utilize relevant technology tools and applications to gather and evaluate information, analyze and solve problems, work interactively with other people, and develop and present conclusions.