

ACC 373 – Introduction to Auditing and Assurance Services

Fall 2020: Monday/Wednesday–8 am, 10 am & 12 pm with Friday lab all sections (online)

Units: 2 semester units (Monday, August 17th – Friday, October 2nd)

Professor: Rose Layton

Office Zoom Link:

<https://uscmarshall.zoom.us/j/96085396310?pwd=TEpCYXZQd1Jmc1o1Y1ZsbGxKSjRTdz09>

Office Hours: Tuesday 10-11:30 & Thursdays 7-8:30 pm in Zoom and by appointment; Student IAs hours and zoom rooms will be posted on Blackboard

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Course Description

Introduction to 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 AICPA 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 through 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 given a website via Blackboard to purchase and access all material needed for the course.

Prerequisites and/or Recommended Preparation:

ACC 370 and ACC 371 - prerequisites

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/Percentage
Participation (in-class cases and discussions)	10%
Quizzes	5%
Homework Cases	10%
Midterm (1 hour)	30%
Project	5%
Final Exam (1 hour 30 minutes)	40%
Total	<u>100%</u>

* considered for overall grade in group projects

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.

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.

Class participation and class activities (10%)

OPTION 1	OPTION 2
Attend class at the regularly scheduled time, participate in the breakout groups, share in the main class session and earn participation points in the same way that all other students enrolled in class will be earning their participation points.	Complete the writing assignment described below for every online class session that you will not be attending . In order to earn full participation points, you must complete the assignment in its entirety, and submit it by no later than Sunday 11:59pm PT following the class session(s) you will not be attending. Each assignment takes no more than 1 hour and 40 minutes to complete (same amount of time you’d spend in class). If you will not be attending any class sessions. Please email me asap if you select this option.

For **every class session for which you will be absent**, if you wish to get participation points, please complete the following writing assignment, which will take you no more than 1 hour and 40 minutes to complete (same amount of time you’d spend attending class):

- 1) Write a one-page, double-spaced summary of the readings that are assigned for the class session(s) you will not be attending. Typically, a one-page summary

should pertain only to that reading. Please title this page "Summary, xx/xx/xxx". *[spend approximately 40 minutes on this]*

- 2) Write a one-page, double-spaced summary of 3 key points that you learned from viewing the recorded class session, which will be posted in Blackboard within 24 hours of the live class. Which points to highlight is your decision. Please keep in mind that Breakout Groups will NOT be included in the Zoom recording. *[spend approximately 40 minutes on this]*
- 3) Prepare answers and explanations to a question that we do in the breakout sessions. Your response should be approximately $\frac{3}{4}$ page, double-spaced. This will give you exposure to what your other classmates will be doing in the "breakout groups" you will miss. *[spend approximately 20 minutes on this]*

Do not stress over the details or perfection of your submission. This assignment is credit-no-credit and is simply intended to ensure that you get as much as possible out of the course, and that your learning experience will not be compromised compared to your classmates who will be attending class live and regularly. It is evaluated on completeness and thoughtfulness of the write-up

Friday Classes are required:

You will be asked to submit questions in advance and prepare a reflection after the speaker

Quizzes (5%)

There are online reading quizzes that you will take asynchronously through the course website. These quizzes are due by 11:59 PST before our class sessions. The quizzes are based upon the reading material for the week. It is important that you read prior to coming to class so that your class discussions are meaningful. You will be given full credit if you score 80% or higher on each quiz.

Homework (10%)

There are also homework assignments. See syllabus for details **The homework assignments are due by 11:59 pm PST the night before class.** The due dates are indicated in the material. If you are late the following credit will be given:

- On-time – 100% of assigned grade
- Late 1 hour – 75 % of assigned grade (must be emailed)
- Late 2 hours- 50 % of assigned grade (must be emailed)
- Late 3 hours – 25% of assigned grade (must be emailed)
- No credit after that time.

Project (5%)

The team project has been designed to help you apply many of the concept that you have learned in class. The project will have several parts so that the entire project is not due at the same time. You will receive more details in class and on Blackboard. I will assign groups and will consider students' time zones.

Grades for individual student contributions to team projects are assigned by me, based on my observations of team's working dynamics, my assessment of the team's project quality, and thoughtful consideration of the information provided through peer evaluations. See appendix 1 for Peer Input/Evaluation Form.

Midterms – 30%

The 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. More details will be shared in the classroom.

Final Exam 40%

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.

Important Dates for First-Half Courses:

First day of classes:

Monday, August 17, 2020

Last day to add:

Tuesday, August 25, 2020

Last day to drop without a "W" and receive a refund:

Tuesday, August 25, 2020

Last day to withdraw without a "W" on transcript or change pass/no pass to letter grade:

Tuesday, September 8, 2020

Last day to drop with a mark of "W":

Thursday, September 24, 2020

End of session:

Friday, October 2, 2020

Classroom Policies

Class attendance and participation is important in developing a coherent view of the materials covered in the course. Unless accommodated as described in participation above, attendance and active participation is expected at the synchronous Zoom class sessions.

- 1) Students are expected to have cameras on during the synchronous Zoom sessions, and preferably use headsets or earphones to ensure the best audio quality. *Please advise me if you have circumstances under which you will not be able to meet these expectations.*
- 2) For students who are located in a time zone where the synchronous class sessions or exams fall outside the window of 7 a.m. to 10 p.m. in your local time zone, please contact me. You will not be penalized for not attending the live Zoom class sessions. The Zoom sessions will be recorded and posted on Blackboard, and you will be responsible for watching the recorded sessions. Exams and other synchronous assessments will be scheduled for students to be able to complete the assessment between 7 a.m. and 10 p.m. in your local time zone. In addition, for any student who does not attend the Zoom session live, you will be required to complete the participation Option 2 noted above.

During synchronous Zoom sessions, the following netiquette is expected, as if you were in a physical classroom.

- 1) Please do:
 - a. Log into class early or promptly
 - b. Arrange to attend class where there is a reliable internet connection and without distractions
 - c. Dress respectfully. Video conference business meetings are and will be the norm, so practice your professional telepresence.
 - d. If you use a virtual background, please keep it respectfully professional.
 - e. Display both your first and last name during video conferencing and synchronous class meetings. If you use a name different than your registered name, please let me know so that I will use the appropriate name and note it in my records.
 - f. Respectfully minimize distractions by muting and or turning off video if necessary and when appropriate.
 - g. Engage in appropriate tone and language with instructors and classmates.

- 2) Please try **not** to:
 - a. Engage in a simultaneous activity not related to the class.
 - b. Interact with persons who are not part of the class during the class session.
 - c. Leave frequently or not be on camera for extended periods of time.
 - d. Have other persons or pets in view of the camera.

- 3) Zoom sessions will be recorded and posted in the Blackboard Course pages.

Technology Requirements

The following equipment and system requirements are recommended to successfully participate in this online course:

- Computer with webcam
- Earphones or headset
- Reliable (preferably high speed) Internet connection
- Current operating system for Windows or Mac
- Current browser
 - Google Chrome
 - Firefox
 - Internet Explorer (not recommended)
 - Safari (Mac)

For technical support please see:

- **USC Systems** (Blackboard, USC Login, MyUSC, USC Gmail, GoogleApps)
For assistance with your USC login or other USC systems, please call +1 (213) 740-5555 or email Consult@usc.edu. They are open Mon – Fri 9:30am – 5pm and weekends from 8am - 5pm (all Pacific time).

- **Zoom Video Web Conferencing System** (MarshallTALK)
For assistance using Zoom, go to [Zoom Support Page](#). You may also call +1 (888) 799-9666 ext. 2. They are available 24/7.

- **Marshall Systems** (MyMarshall, Marshall Outlook email)
For assistance with Marshall systems you can call +1 (213) 740-3000 Mon-Fri 8am-6pm (Pacific), email HelpDesk@marshall.usc.edu, or use our self-help service portal as shown below. The portal allows you to get immediate assistance by searching for the information you need. You can also use it to chat with a technician or input a request. To access the service portal, follow these steps:

- On a computer or mobile device, go to [MyMarshall Home Page](#) and click the “**Help**” link on the upper right.
- Log in using your Marshall username and password.
(If you don’t know your Marshall login please follow the onscreen instructions pertaining to login issues)

If your computer does not have Microsoft Word, Office 365 package is available to you free of charge and allows you to install Word, Excel, PowerPoint, Outlook, OneNote, Publisher, and Access on up to 5 PCs or Macs and Office apps on other mobile devices including tablets. Office 365 also includes unlimited cloud storage on OneDrive. To download Office 365 log into your student (University) email through a web browser, choose Settings (top right corner), and select software. If you have further questions or need help with the software, please contact the USC ITS service portal.

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. If I returned a graded work electronically to you, it is your responsibility to file it.

USC Statement on Academic Conduct and Support Systems

Academic Conduct:

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>.

Support Systems:

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

<https://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

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 Services (RSVP) - (213) 740-9355(WELL), press “0” after hours – 24/7 on call

<https://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, 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.

Reporting Incidents of Bias or Harassment - (213) 740-5086 or (213) 821-8298
https://usc-advocate.symplicity.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

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 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.

USC Campus Support and Intervention - (213) 821-4710
<https://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

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, 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 Non-emergency assistance or information.

INDIVIDUAL CLASS TOPICS AND ASSIGNMENTS (ALL TIMES ARE PST – TROJAN TIME!)

Module	Dates	Readings/Sources Class Website	Assignments/ Homework	Quiz IN CLASS
Introduction	Mon 08/17	NONE	Complete survey	Np Quiz
1. Audit and Assurance Services	Wed 08/19	Module 1 Readings: Article prior to class AU-C 200.01-.14 AS1001.01-.11 IN-CLASS TODAY	Module 1 HW #1 Assurance 08/23- 11:59 pm Module 1 HW #2 Research Assignment 08/23- 11:59 pm	No Quiz
2. Reports	Mon 08/24	Module 2 Readings: AU-C 700.01-.41; Illustration 1 AU-C705.01-10;	Module 2 HW #1 Report 08/25- 11:59 pm	Quiz 1 08/23- 11:59 pm
	Wed 08/26	Illustrations 1, 2,3, 4,5 AS3101.01-20; Appendix B AS3105.01-47	Module 2 HW #2 Case Application 08/27- 11:59 pm	Quiz 2 08/25- 11:59 pm
3. Professional Judgment/Skepticism and Bias	Fri 08/28 10 am	Module 3 Readings: AU-C.200.17-18, A22-. A31 AS1015.07-.09, .11 KPMG Monogram- chapters 3, 4, 6 (posted on Blackboard)	Module 3 HW #1 Judgment Examples In-class Module 3 HW #2 08/30- 11:59 pm	Quiz 3 08/27- 11:59 pm
4. Client Acceptance and Fraud	Mon 08/31 Wed 09/02	Module 4 Readings QC Sec10 (AICPA). 27-30;A11-14 QC Sec20 (PCAOB).14-16; AU-C240 .01-. 29; A33-.35; Appen. A; AS2410.07-.13;.52- .79	Module 4 HW #1 Fraud Case 09/01- 11:59 pm	Quiz 4 08/30- 11:59 pm
School Holiday	Mon 9/07	Enjoy!		

Module	Dates	Readings/Sources Class Website	Assignments/ Homework	Quiz IN CLASS
5. Planning: Audit Risk Model	Wed 09/09	Module 5 Readings: AS2101 .02-.17; AS1101.02-.11 AS2110.05-.17; .41- .45;.49-.58; AU-C 300.02-12; A4-. A5	Module 5 HW #1 Identifying Risk 09/13- 11:59 pm	Quiz 5 09/08- 11:59 pm
Midterm	Fri 9/11	Modules 1-4 5 pm-6:30 pm PST Asynchronous	Take exam	
6. Understanding the Client Environment (Inherent Risk)	Mon 09/14	Module 6 Readings: AU C-200. 14; A41- 42; AU C-315.04-12; A6-.18 http://www.quickmba.com/strategy/porter.shtml http://www.quickmba.com/strategy/pest/	Module 6 HW #1 Inherent Risk 09/15- 11:59 pm	No Quiz
7. Internal Control (Control Risk)	Wed 09/16	Module 7 Readings: AU-C315 .04,.13- 25; A49-A77: A79; A99-100; A110: A112 AS2201.01-27; .62- .74;.78-.84;.85; .86- 88; Appendix A AS2110.18-.35	Module 7 HW #1 Managements Response 09/20- 11:59 pm	Quiz 6 09/15- 11:59 pm
Speaker	Fri 09/18 10 am	Tim Stone- CFO Ford Motor Co. Leventhal Alum	Submit questions in advance 09/17- 11:59 pm reflection after 09/20- 11:59 pm	No Quiz

Module	Dates	Readings/Sources Class Website	Assignments/ Homework	Quiz IN CLASS
8. Preliminary Analytical Procedures & SOX	Mon 09/21	Module 8 Readings: https://pcaobus.org/About/History/Documents/PDFs/Sarbanes Oxley Act of 2002.pdf -skim only	Module 8 HW #1 Preliminary Analytical Procedures 09/22- 11:59 pm	No Quiz
9. Assertions and Materiality	Mon 09/21	Module 9 Readings: AU-C 315.04, A128-139; AU-C 320 .02-.09; . A5-9; AS1105.11 AS2105.02-09	Module 9 HW #1 Significant Accounts and Assertions 09/22- 11:59 pm	No Quiz
10. Evidence	Wed 09/23	Module 10 Readings AU-C500.01-10; A1-.34; AS 1105.01-.21	Module 10 HW #1 Audit Procedures 09/27- 11:59 pm	Quiz 7 09/22- 11:59 pm
Projects and Review	Mon 09/28	Materials (Modules 1-10)	Share project In-class activity	Project due 09/27- 11:59 pm
Study Day	Wed 9/30	No Class		
Final	Fri 10/2	10/2 at 5 pm- 7 pm PST Asynchronous	Take exam	

Fridays- required: 8/28 (class), 9/11 (midterm), 9/18 (speaker), 10/2 (final)

LSOA STUDENT LEARNING OBJECTIVES

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.
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.
3. Ethical Decision Making Light (373)	Students will demonstrate an understanding of ethics, ethical behavior and ethical decision-making.
4. Communication Moderate (373)	Students will demonstrate the ability to communicate ideas both orally and in writing in a clear, organized and persuasive manner.
5. Leadership, Collaboration and Professionalism Moderate (373)	Students will demonstrate leadership skills and the ability to work cooperatively and productively to accomplish established goals.
6. Technology Moderate (373)	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.

APPENDIX 1

Peer Input/Evaluation Form

Complete one form for each of your teammates/group members, including yourself.

Name of group member:

<i>Assess your teammate's contributions on a scale of 1-5 (5 is excellent)</i>	5	4	3	2	1
Attended and was engaged in team meetings from beginning to end					
Asked important questions					
Listened to and acknowledged suggestions from every team mate					
Made valuable suggestions					
Took initiative to lead discussions, organize and complete tasks					
Contributed to organizing the assignment					
Contributed to writing the assignment					
Reliably completed tasks on time in a quality manner					
Demonstrated commitment to the team by quality of effort					
Was cooperative and worked well with others					
I would want to work with this team member again.					
Describe your teammate's (or your) contributions to the assignment:					
How might your teammate (or you) have made more effective contributions to the assignment?					
Your name:			Date:		