

UC DAVIS
ACC 243
AUDITING AND ATTESTATION SERVICES

Instructor: Tim Kizirian, Ph.D., CPA
Office:
Office Hours:
Cell Phone:
E-mail: tgkizirian@ucdavis.edu

Required material:

Principles of Auditing and Other Assurance Services
Whittington 20th edition
McGraw Hill

Course Goals:

This course focuses on the audit processes performed by today's CPA for the purpose of expressing an opinion on published financial statements. Audit process elements to be studied in detail include:

- Basic concepts of evidence and documentation
- Audit planning
- Risk and materiality assessment
- Evaluation of an internal control structure
- Selection, performance, and evaluation of audit procedures for various transaction cycles and account balances
- Statistical audit sampling
- Audit summarization and review
- Audit reports
- Consideration of fraud in planning and performing a GAAS audit

Grading:

Examinations	3 @ 100 points each	300 Points	75%
Scholarly Research Proposal		75 Points	18.75 %
Group Presentations		25 Points	6.25%
Course Total		400 Points	100%

Tentative Schedule:

Class	Topic	Incremental Detail	In-class Tasks*
4/5	Chapter 5. Audit Evidence and Documentation	Review GAAS CPA Exam Essay: Third Standard of Field Work ZZZ Best CFE video and the seminal expectations gap standards from the '80's	CPA Exam Q: Aud Obj & Procs Ch. 5: 7, 8, 36, 37 (AP's), 38 (AP's), 43 (a-g), 45 (ARM), 47 (AP's), 54 (AP's), 55* *Note: 5-55 Financials belong to the Regina Vacuum Cleaner Co.

*In-Class Tasks can include Cases, Scholarly Papers, EOC problems, CPA Exam Problems, Audit Programs and W/P's from practice

4/12	Chapter 6. Audit Planning, Understanding the Client, Assessing Risks	Audit Documentation/ Working papers. Learning from erroneous w/p's. Client acceptance: “The Auditor’s Road Map For Client Acceptance” Materiality Scholarly paper overview: <i>The auditor’s fraud considerations in planning and performing a FS audit.</i>	Ch5: 5-24 (W/P’s), 5-40 (W/P’s), 5-53 (W/P’s) Ch. 6: 6-14, 6-25c, 6-29, 6-34, 6-38, 6-39, 6-46, 6-35c, 6-C-4
4/19	Chapter 7. Internal Control	Purposes of an ICS Steps to understanding an ICS Summary of 2 nd and 3 rd Std of FW <i>Guest Speaker: Silicon Valley Bank</i>	Ch. 7: 1, 25, 28, 32, 35, 40, 41, 42, 44, 45,
4/26	Chapter 9. Audit Sampling Appx. 9a PPS Appx. 9b Audit Risk	CPA Exam focus – attributes and variables sampling; PPS Sampling; <i>Guest Speaker: Moss Adams</i>	Ch. 9: 12, 13, 14, 23, 32, 35, 36, 37, 38, 39, 41, 43, 45, 47, 53 Appendix: 2, 3, 8, 14
5/3	Exam on Ch’s 5, 6, 7, 9 ‘80’s CFE expectations gap retro video (Crazy Eddie).	More on how to deceive the auditors. <i>Guest Speaker: Brown Armstrong</i>	Fraud Assessment: Vertical and horizontal analysis
5/10	Chapter 10. Auditing Cash and Financial Investments	Cash audit program (PERCV) Investments audit program (PERCV) <i>Guest Speaker: Ernst and Young</i>	Cash: 2, 7, 11, 16, 17, 31a, 37, 39, 40, 41, 43, 49 Investments: 36, 34b, CPA Exam Substantive OOF Problem #2; CPA Exam Substantive (non-OOF) Prob #2

5/17	Chapter 11. Auditing AR, NR, and Revenue	<p>Lecture will include some “highlighter pen” coverage of Chapter 11 plus appendices.</p> <p>Documents and IC’s contained in the sales and collection cycle.</p> <p>AR audit program (PERCV)</p> <p><i>Guest Speaker: UCD on GASB</i></p>	<p>Smallco Lumber Inc Flowchart.</p> <p>CPA Exam Essay #1</p> <p>CPA Exam <i>OOF IC</i> Problems 1 (FC), 2, 5.</p> <p>CPA Exam IC Problem 8 (Sales FC)</p> <p>Ch. 11: Substantive testing: 26, 30, 35, 36, 39, 47, 48</p> <p>IC’s: 43</p> <p>11B-1, 11B-2, 11B-3</p>
5/24	Chapter 12. Inventories and COGS Chapter 13. PP&E, Depreciation and Depletion	<p>History’s most infamous inventory fraud/misstatement? Phar-Mor Video</p> <p>Inventories audit program (PERCV)</p> <p>PP&E audit program (PERCV)</p>	<p>CPA Exam Sub OOF #1</p> <p>Ch. 12 Inventories: 10, 11, 13, 19, 25, 29, 32, 33, 34, 37, 39, 40, 42</p> <p>Ch. 13 PP&E: 2, 7, 12, 15, 16, 17, 20, 21, 23, 24, 25, 26, 27, 28, 29, 32, 33, 34, 36, 37, 38, 40</p>
5/31	Exam on Ch’s 10-13 Chapter 16. Audit Completion		<p>Ch. 16: 14, 15 16, 17, 18, 22, 23, 24, 25, 26, 27, 28, 32, 34, 36 (c; e - l), 37, 38, 39, 41, 47, 48, 49</p>
6/7	Chapter 17. Auditor’s Reports Announce take home final exam details which is over Ch’s 16 and 17	<p>Audit reporting “grid;” CPA Exam reporting essay</p> <p>Guest lecturer on Audit Reports</p> <p><i>Guest Speaker: Roger Phillip</i></p>	
6/14	Take Home Final Exam and Research Proposal are Due		

