

Auditing & Attestation Services (ACC243) – Spring Quarter 2020

Graduate School of Management, University of California at Davis

Instructor: Crystal A. Coleman, CPA

Tuesdays 9:00 am to 12:50 pm

Tuesdays 2:10 pm to 6:00 pm

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Office Hours: Tuesdays 8 am to 9 am

Course Objective:

This course is designed to help students obtain an in-depth understanding of assurance services. The public accounting profession involves the issuance of audit reports by independent accountants on the fairness of information used to make business decisions. Auditing will focus on the major concepts of assurance services, risk, materiality and the accountant's role in applying these concepts. Much of what students will do in this class will be based on their prior knowledge of accounting principles, business transactions, financial reporting and managerial decision-making. The in-class discussions, group projects and written assignments will involve use of students' critical thinking and judgment skills. This subject often appears easier than it is, so students must be vigilant, persistent and willing to carefully analyze information. At the conclusion of this course, students will be able to:

1. Identify and define the major concepts of auditing, including risk, materiality and professional standards.
2. Explain and model the accountant's role in applying the concepts of auditing.
3. Apply judgment and critical thinking to evaluate and communicate the reliability of financial information.
4. Analyze evidence for competency and relevancy in relation to management's assertions.

Text & Case Study Materials:

1. *Principles of Auditing & Other Assurance Services*, 21st Edition, by O. Ray Whittington and Kurt Pany. Earlier versions are not acceptable as the textbook examples are different and GAAS changes from year to year.
2. *Valley Publishing Company: A Comprehensive Audit Case*, 13th Edition, by Ambrose Jones III. Armond Dalton Publishers, Inc. Students will reimburse instructor for the exact cost of materials as materials will be ordered in advance of quarter and full workpaper setups and binders provided on 1st day of instruction.

Overall Approach:

The approach to this course is literally to "learn by doing" – students are expected to read the textbook in advance of each class and work the assigned homework problems. Lectures will center around key concepts of each chapter and students will immediately apply the chapter material to the audit case simulation.

Lecture Notes:

The instructor will provide students with copies of the publisher's PowerPoint slides on Canvas.

Relationship of Text Material and Lecture Notes:

Principles of Auditing & Other Assurance Services is designed as an intermediate text. As is suitable for a master's level class, students are responsible for learning the assigned material in the book chapters prior to coming to class. The instructor will cover some, but certainly not all of the material in the book during the class lectures/seminars. The lectures should be review for the student, not the first time the student has seen the material. The instructor will use the class sessions in a seminar approach, both focusing on the more difficult items and facilitating discussions about how to approach specific audit areas, client challenges, etc. We will cover approximately 50% of the book (11 chapters in total), and students are responsible for learning all the material in the selected chapters in the book (please refer to the class schedule by week for the chapters covered).

Class Format:

The class scheduled to last approximately four consecutive hours and it is expected that the class will run the full scheduled class time each week.

Weekly Quizzes:

There will be eight (8) quizzes over the 10 weeks of the course. Quizzes will be closed book and closed notes and will occur at the beginning of class. Quiz questions will come directly from the chapter material assigned for each week.

Each quiz will be worth 35 points for a total of 280 points during the course. Missed quizzes will receive a score of zero points, however there will be one opportunity at the end of the quarter to take one "makeup" quiz to replace one of the eight weekly quiz scores.

Weekly Homework:

Problems from the textbook are assigned every week and will be collected at the beginning of class for course credit. Homework problems must be worked out manually (pencil/pen and paper) - no word-processed submissions will be accepted for credit. Students should use the homework assignments to facilitate mastery of the course material and to diagnose where they have questions or challenges with the more difficult material. Some of the assigned homework problems may be worked during class, while others will not be. Solutions to assigned homework problems will be provided to students on Canvas the evening they are submitted for grading.

Each weekly homework submission will be worth 15 points for a total of 120 points during the course. Late homework will generally not be accepted.

Comprehensive Audit Case:

There will be a comprehensive audit case (a sample audit) that will be worked on during the entire Spring Quarter and will align with the weekly course material. Students will be assigned in groups of 2 students to work through the audit case materials. Weekly audit case assignments will be collected throughout the quarter and the completed audit case will be submitted at the time of the scheduled final examination.

The comprehensive audit case will be worth a total of 600 points; 6 weekly assignments will be collected and graded throughout the quarter for 50 points each and the comprehensive audit case (complete set of working papers along with full disclosure set of financial statements) will be collected at the time of the scheduled final examination for 300 points.

Audit Case Work Sessions (Optional):

The instructor will hold 2 work sessions on campus to assist students with working through the audit case study. These sessions are optional and will occur on the following days:

- Sunday, April 26th – 1 pm to 4 pm
- Saturday, May 30th – 9 am to 12 pm

Course Grade Composition:

Weekly Quizzes (8 @ 35 points each)	280 Points	28%
Weekly Homework Assignments (8 @ 15 points each)	120 Points	12%
Audit Case Study (Modules – 6 @ 50 points each)	300 Points	30%
Audit Case Study (Final Work Product)	300 Points	30%
Course Total	1,000 Points	100%
<i>Note: There is no curve for this course – letter grades will be assigned on a 90/80/70 scale with plusses and minuses. Students should be able to calculate their standing in the course in real time and points will be generally posted to Canvas within 1 week of submission.</i>		

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Weekly Course Schedule (FINAL)

<i>Date</i>	<i>Chapter(s) Covered – Weekly Quiz</i>	<i>Homework Due</i>	<i>Valley Publishing Audit Case Study</i>
3/31/20	Chapter 5: Audit Evidence & Documentation Chapter 6: Audit Planning, Understanding the Client, Assessing Risk and Responding	5-39 5-40 5-43 6-24 6-29 6-46	Assignment #1
4/7/20	Chapter 7: Internal Control	7-28 7-32 7-39	Assignment #2
4/14/20	Chapter 10: Cash and Financial Investments	10-32 10-36 10-40	Assignment #3 Assignment #6
4/21/20	Chapter 11: Accounts Receivable, Notes Receivable and Revenue	11-26 11-31 11-44	Assignment #4
4/28/20	Chapter 12: Inventories and Cost of Goods Sold	12-23 12-25 12-41	Assignment #5
5/5/20	Chapter 13: Property, Plant and Equipment: Depreciation and Depletion	13-24 13-29 13-38	Assignment #7
5/12/20	Chapter 14: Accounts Payable and Other Liabilities	14-32 14-36 14-39	Assignment #8
5/19/20	Chapter 15: Debt and Equity Capital	15-27 15-28 15-34	Assignment #9
5/26/20	Chapter 16: Auditing Operations and Completing the Audit	16-31 16-33 16-35	Assignment #10
6/2/20	Chapter 17: Auditor's Reports	17-24 17-27 17-39	Assignment #11

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Deliverables Schedule

<i>Date</i>	<i>Quiz 35 Points Each</i>	<i>Homework 15 Points Each</i>	<i>Audit Case 50 Points Each</i>
3/31/20	<i>No Quiz</i>	<i>Not Collected – 1st Week</i>	
4/7/20	Chapter 7	7-28 7-32 7-39	Assignment #1
4/14/20	Chapter 10	10-32 10-36 10-40	
4/21/20	Chapter 11	11-26 11-31 11-44	Assignment #3 Assignment #6
4/28/20	Chapter 12	12-23 12-25 12-41	Assignment #4
5/5/20	Chapter 13	13-24 13-29 13-38	
5/12/20	Chapter 14	14-32 14-36 14-39	Assignment #7
5/19/20	Chapter 15	15-27 15-28 15-34	
5/26/20	Chapter 16	16-31 16-33 16-35	Assignment #9
6/2/20	Chapter 17 (Makeup Quiz)	17-24 17-27 17-39	
6/9/20	<i>No Quiz</i>	<i>No Homework</i>	Final Case Due 300 Points