

Auditing & Attestation Services (ACC243) – Spring Quarter 2021

Graduate School of Management, University of California at Davis

Instructor: Crystal A. Coleman, CPA, CEBS

Wednesdays 9:00 am to 12:50 pm (Virtual Class Format)

Wednesdays 2:10 pm to 6:00 pm (Virtual Class Format)

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Office Hours: Tuesdays 6 to 7 pm
 Saturdays by Appt

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 purchase the case materials directly from the publisher and receive an access code to download the materials for their team.

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 then 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 administered through Canvas at a scheduled time each week and students will need to answer several short response questions within a 20-minute fixed time window. Quiz questions will come from the chapter material assigned for each week.

Each quiz will be worth 50 points for a total of 400 points during the course. Missed quizzes or those completed within Canvas outside the scheduled time window 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.

Quizzes will generally be graded within 1 week and scores posted within Canvas on the respective quiz and in the Canvas Grade Book. If students want to discuss quiz scores, they need to reach out to the instructor within one week of the quiz being scored (after 1 week, the quiz scores will "stand").

Weekly Homework:

Problems from the textbook are assigned every week and will be collected via Canvas for course 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. In addition to the assigned homework problems, we will also work 1 or 2 additional problems during the class session and those will be considered part of the submission for credit. Solutions from the publisher's solutions manual for assigned homework problems will be provided to students on Canvas the evening after they are submitted.

Homework will be submitted via Canvas by the end of the day of class each week (by 10 pm on Wednesdays). Each weekly homework submission will be worth 15 points for a total of 150 points during the course. Late homework will generally not be accepted and incomplete homework will receive partial credit.

Comprehensive Audit Case (Selected Sections):

There will be a comprehensive audit case (a sample audit) that will be worked on during the Spring Quarter and will align with the weekly course material. Students will be assigned in groups of 3 students to work through the audit case materials. Audit case assignments will be collected throughout the quarter and graded on both an individual basis (2 of the 6 submissions) and as a team (4 of the 6 submissions).

The comprehensive audit case will be worth a total of 450 points; 6 assignments will be collected and graded throughout the quarter for 75 points each.

University Code of Academic Conduct:

The Code of Academic Conduct exists to support high standards of behavior and to ensure fair evaluation of student learning. Students who violate the Code of Academic Conduct are subject to disciplinary sanctions that include censure, probation, deferred separation, suspension or dismissal from the University of California. Please refer to <http://sja.ucdavis.edu/files/cac.pdf> for a full copy of the Code.

Course Grade Composition:

Weekly Quizzes (8 @ 50 points each)	400 Points	40%
Weekly Homework Assignments (10 @ 15 points each)	150 Points	15%
Audit Case Study (Modules – 6 @ 75 points each)	450 Points	45%
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 will 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

<i>Date</i>	<i>Chapter(s) Covered in Class Session</i>	<i>Homework Assigned</i>	<i>Quiz</i>	<i>Audit Case Study In Class</i>	<i>Audit Case Study Due Dates</i>
3/31/21	Chapter 5: Audit Evidence & Documentation Chapter 6: Audit Planning, Understanding the Client, Assessing Risk and Responding	5-38 5-40 5-54 6-25 6-36 6-45		Assignment #1	
4/7/21	Chapter 7: Internal Control	7-29 7-34 7-36	Quiz 50 points		Assignment #1 Due
4/14/21	Chapter 10: Cash and Financial Investments	10-29 10-36 10-39	Quiz 50 Points	Assignment #3 Assignment #6	
4/21/21	Chapter 11: Accounts Receivable, Notes Receivable and Revenue	11-28 11-30 11-35	Quiz 50 Points	Assignment #4	Assignment #3 Assignment #6 Due
4/28/21	Chapter 12: Inventories and Cost of Goods Sold	12-23 12-26 12-42	Quiz 50 Points		

5/5/21	<i>Chapter 13: Property, Plant and Equipment: Depreciation and Depletion</i>	13-23 13-25 13-29	Quiz 50 Points	Assignment #7	Assignment #4 Due Date
5/12/21	<i>Chapter 14: Accounts Payable and Other Liabilities</i>	14-31 14-32 14-39	Quiz 50 Points		Assignment #7 Due
5/19/21	<i>Chapter 15: Debt and Equity Capital</i>	15-28 15-29 15-34	Quiz 50 Points	Assignment #9	
5/26/21	<i>Chapter 16: Auditing Operations and Completing the Audit</i>	16-28 16-33 16-39	Quiz 50 Points		Assignment #9 Due
6/2/21	<i>Chapter 17: Auditor's Reports</i>	17-24 17-26 17-39	Makeup Quiz 50 Points (Optional)		