

## **ACC 243: Auditing and Attestation Services- Spring 2024**

**Instructor:** Grace Mubako PhD.

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**Class Meeting:** Monday, 1:10pm to 5:00pm

**Location:** Gallagher Hall 1213

**Office Hours:** By appointment -ZOOM <https://ucdavis.zoom.us/j/9294909179>

**Teaching Assistant:** Keerthana Hedge [kshegde@ucdavis.edu](mailto:kshegde@ucdavis.edu)

### **COURSE OBJECTIVES**

ACC 243 is designed as a graduate course in auditing and assurance services. The objectives of the course are to (1) introduce and discuss the basic concepts underlying an audit of financial statements and an audit of internal control over financial reporting (2) cover audit reporting, professional judgment, and professional conduct and (3) learn how to apply those concepts to different areas of the accounting cycle. The course will then build on these principles focusing on how to apply them in real world audit situations with the use of case studies and hands-on assignments.

Students are expected to gain the following from this course:

- Basic concepts underlying audits of financial statements
- A working knowledge of the auditing standards and audit processes
- Understanding of risk assessment considerations when planning an audit
- Ability to identify, analyze and think critically about situations that involve a high risk of material misstatement
- Thinking and analytical skills as they relate to auditing
- Improved ability to contribute to a group and team work

### **REQUIRED MATERIALS:**

#### **Course Text**

Auditing & Assurance Services: A Systematic Approach 12th Edition

By *William Messier Jr and Steven Glover and Douglas Prawitt* Copyright: 2022

Connect and Loose Leaf ISBN10: 1265887098 | ISBN13: 9781265887094

Digital/Connect ISBN10: 1264468954 | ISBN13: 9781264468959

You will require online access to the McGraw Hill Connect learning platform which will be integrated with your Canvas account. Online access to McGraw Connect comes with access to the e-book version of the textbook and this is available through your bookshelf in Canvas. It is up to you whether you wish to obtain a hard copy of the textbook.

## Useful online Resources:

- Selected SEC Staff Accounting Bulletins (<http://www.sec.gov/interps/account.shtml>)
- SEC Staff Accounting Bulletin: Codification of Staff Accounting Bulletins (<http://www.sec.gov/interps/account/sabcode.htm>)
- AICPA Auditing Standards (<https://us.aicpa.org/research/standards>)
- PCAOB Reorganized Auditing Standards (<https://pcaobus.org/Standards/Auditing/Pages/ReorgStandards.aspx>)
- SEC Financial Statement filings (<https://www.sec.gov/edgar/searchedgar/companysearch.html>)

## ASSESSMENT

**Smartbook Assignments:** Students will complete weekly Smartbook assignments. These assignments will guide you through reading the textbook material in each chapter, and you will be required to answer questions on what you have read. The questions are not difficult but serve the purpose of helping you to read ahead and preview chapter materials before attending class, thus the due date for these assignments will be 1:00pm every Monday (except the first week). Late Smartbook assignments will attract a 25% penalty.

**Homework Practice Assignments:** These will consist of multiple-choice, short answer questions to assess whether students have learned and understood the assignment course material. The process of completing these assignments will require studying the course material in depth and will be due after the relevant chapters have been covered in class. Late homework assignments will attract a 25% penalty.

**Hands-On assignments:** Students will be required to complete multiple ‘hands-on’ assignments that involve application of course concepts to simulated or real-life audit scenarios, where they will carry out audit analyses and make audit judgments. Some of these assignments will be completed individually and others in teams. The assignments will include activities such as completion of working papers, memo and report writing, case discussion and analysis, class and digital (video) presentations.

**Exams:** Students will be required to take two exams, one mid-term, and one final. Dates for the exams are indicated in the course schedule.

**Grade Calculation:** Final grades are determined by total points earned at the end of the quarter based on the following allocations:

|                                      |                   |
|--------------------------------------|-------------------|
| Smartbook assignments                | 50                |
| Homework Practice Assignments        | 100               |
| Audit cases and hands on assignments | 150               |
| Exams                                | 200               |
| <b>Total</b>                         | <b><u>500</u></b> |

**Final course grades** will be determined as follows:

| <b><u>Points</u></b> | <b><u>Grade</u></b> | <b><u>Points</u></b> | <b><u>Grade</u></b> |
|----------------------|---------------------|----------------------|---------------------|
| 460 – 500            | A                   | 400 - 409            | B-                  |
| 450 – 564            | A-                  | 390 - 399            | C+                  |
| 440 - 449            | B+                  | 360 - 389            | C                   |
| 410 - 439            | B                   | 350 - 359            | C-                  |

## COURSE POLICIES

**Student Conduct:** Students are expected to maintain a professional attitude in the classroom and be respectful of diversity: gender identity, sexuality, disability, age, socio-economic status, ethnicity, race, nationality, religion, and culture." Class discussions are a big part of this class and students are encouraged to be open in sharing their opinions and experiences. Whereas individuals might not always agree, everyone's point of view is important and should be respected, both in the classroom and while working in teams outside the classroom.

**Email Correspondence and Canvas:** Email access is essential in communicating with the instructor and your peers so please check it regularly. All course materials will be available through Canvas. Please log into your course on Canvas regularly, and each time you log in, check announcements. This is how I will provide updated information between class sessions. It is your responsibility to make sure that you remain up to date with any new information, changes, or expectations communicated in Canvas. You can email me via Canvas or directly to my UC Davis email account. Please ensure your messages conform to standards of professional correspondence: emails should be courteous and respectful in tone.

**Attendance:** Students are expected to attend classes on time, participate in class activities and stay for the entire class period. If you must be absent for a valid reason, you should excuse yourself beforehand and keep in mind that you are still responsible for material covered during that class period. ***Requests for 'make-ups' of graded work done during unexcused absences will not be entertained.***

**Preparation for class sessions:** The approach to learning in this course involves advance reading to understand important concepts, followed by interactive discussion about how to apply those concepts in auditing situations. In light of this, student participation in class discussions and exercises is a very important element of this course. Students should prepare for each class by reading assigned portions of the text and reviewing any assigned materials. It is important for students to be adequately prepared for each class so that we use class time to emphasize important and/or complex concepts, and for hands on assignments.

**Academic Honesty:** Students are expected to be familiar with, and abide by the University of California-Davis Academic Code of Conduct found at <http://sja.ucdavis.edu/cac.html>. Students are not allowed to post any course materials to any website (including Chegg, Corse Hero, etc.). Doing so is an infringement of copyright standards and a violation of University policy and any instances will be reported to the Office of Student Support and Judicial Affairs (OSSJA).

**Collaboration:** Students may *study* with others as much as they like, but for any work that will be turned in for a grade or credit, students are not permitted to work with others unless the instructor gives explicit permission for them to do so -- and even then, students may only work together to the extent that the instructor allows.

**Student responsibilities:** You are responsible for familiarizing yourself with the syllabus and any changes announced to the class. You are required to check your Canvas grades regularly and bring any mistakes or missing grades to the attention of the instructor as soon as possible.

**Student Support:** Should you have any questions or concerns please do not hesitate to reach out to me via email. I will also be happy to speak to you after class or meet with you over Zoom. To arrange a Zoom meeting, simply email me and suggest a couple of time windows that work for you, and we can figure out a mutually convenient time to meet.

Life happens to all of us and you are encouraged to communicate anything you feel will negatively impact your ability to be successful in class – and do this as early as possible so that we can review any options to ensure that you stay on track. In addition, you are encouraged to visit <https://studentaffairs.ucdavis.edu/getting-help> where you will find information on different University resources available to support you.

### Disclaimer

This syllabus is subject to change. Any changes will be announced in class and posted to the Canvas web site.

# COURSE SCHEDULE

| <u>Date</u>      | <u>Chapter</u>                           | <u>Topic</u>  |
|------------------|--|---|
| <b>4/1/2024</b>  | Chapter 1                                | Introduction to Auditing                              |
|                  | Chapter 2                                | The financial statement auditing environment.         |
|                  | Chapter 19                               | Standards, Ethics and Professional Conduct            |
| <b>4/8/2024</b>  | Chapter 3                                | Audit Planning  |
|                  | Chapter 4                                | Risk Assessment                                       |
| <b>4/15/2024</b> | Chapter 5                                | Audit Evidence and documentation                      |
|                  | Chapter 6                                | Internal Control                                      |
| <b>4/22/2024</b> | Chapter 7                                | Internal Control over Financial Reporting             |
|                  | Chapters 8, 9                            | Sampling  |
| <b>4/29/2024</b> | <b>Mid Term Exam<br/>Work on Project</b> |   |
| <b>5/06/2024</b> | Chapter 10                               | Revenue and Receivables                               |
|                  | Chapter 11                               | Purchases and Payables                                |
| <b>5/13/2024</b> | Chapter 13                               | Inventory   |
|                  | Chapter 14                               | PPE   |
|                  | Chapter 16                               | Cash  |
| <b>5/20/2024</b> | Chapter 17                               | Completing the Audit                                  |
|                  | Chapter 18                               | Reporting   |
| <b>5/27/2024</b> | No Class                                 |   |
| <b>6/3/2024</b>  | Chapter 20                               | Auditor Legal Liability                               |
|                  | Chapter 21                               | Assurance, Attestation and Internal Auditing Services |
| <b>6/11/2024</b> | <b>Final Exam</b>                        |   |