

SOUTHEASTERN UNIVERSITY
AUDITING
ACTG 4153 - FALL 2012

INSTRUCTOR: Natasha Ware, CPA, MACC

OFFICE: Location: Business & Education Building, 2nd Floor-1st Faculty Office
Phone: 863-667-5637
E-mail: nrware@seu.edu
Hours: (subject to change)

| <u>Monday</u> | <u>Tuesday</u> | <u>Wednesday</u> | <u>Thursday</u> | <u>Friday</u> |
|------------------------------|----------------|------------------------------|-----------------|------------------------------|
| 11:00 - 12:00 2:00 - 5:00 | 3:00 – 4:00 | 11:00 - 12:00 2:00 - 5:00 | 3:00 – 4:00 | 11:00 - 12:00 2:00 - 3:00 |

TEXTS:

Louwers, T.J., Ramsay, R.J., Sinason, D.H., Strawser, J.R., & Thibodeau, J.C. Auditing & Assurance Services, 5th Edition, New York, NY: McGraw-Hill/Irwin, 2012.

UNIVERSITY MISSION STATEMENT:

Southeastern, a dynamic, Christ-centered university, fosters student success by integrating personal faith and higher learning. Within our loving Pentecostal community, we challenge students to a lifetime of good work and of preparing professionally so they can creatively serve their generation in the Spirit of Christ.

COURSE DESCRIPTION: (Prerequisite: ACTG 3123 – Intermed Actg II)

This class covers the basic auditing process from the perspective of the public accounting profession. Professional standards, ethics, legal responsibilities, and the utilization of technology are addressed.

I. PURPOSE:

Auditing represents one of the final upper level courses that complete the accounting major. This course provides a base of professional knowledge in special topics related to auditing and assurance services. The eight-week format is being utilized to mirror graduate education and provide CPA or CMA review time for the second half of the semester.

II. OBJECTIVES:

A. Overall Objective: This course completes the survey of more specialized topics in financial accounting and reporting; specifically related to the assurance procedures to be performed in order to issue accountants' reports.

- B. Intended Learning Outcomes: As a result of the activities in this course, the student should be able to:
1. Understand how to interpret and utilize GAAS.
 2. Prepare audit schedules of balance sheet and income statement accounts.
 3. Understand the role of internal control in the audit process.
 4. Be able to discern among alternative audit opinions.
 5. Understand the conceptual and practical differences between compilation, review, and audit standards.
- C. Additional Assessment Measures for Accounting Majors:
- There are four assignments in the auditing case study where students are required to exhibit proficiency in areas, as follows:
- a). Internal Control Systems (currently Chapters 5 and 6 in the Lakeside Case Study) covering both revenue and expenditure cycles and activities;
 - b). Substantive Audit Testing of Balances (currently Chapter 7) demonstrating an understanding of the required “evidence” associated with testing account balances;
 - c). Resolution of Audit Completion Problems (currently Chapter 9) spanning management representations, reliance on attorneys, analytical procedures, and proper reporting; and
 - d). Review of Subsequent Events (currently Chapter 12), where Type I and Type II concerns are addressed to assure appropriate effect on the financial statements and fair presentation.

III. TOPICS TO BE COVERED:

Refer to the course outline calendar. Topics will include chapter components of:

- A. The Contemporary Auditing Environment
- B. The Financial Statement Audit
- C. Other Topics

IV. INSTRUCTIONAL PROCEDURES:

Teaching/Learning Activities will include:

- A. Lecture / Discussion and Presentation
- B. Individual and Group Problem Solving

V. RESPONSIBILITIES OF STUDENTS:

- A. Reading – READ the chapters of the Louwers text ON TIME as assigned and walk through the examples regularly to help with the homework.
- B. Preparation – Be prepared to discuss the material and the homework problems each session. Students are expected to complete, prior to class, all assigned homework. It will be graded down if not done at the beginning of class. This course has been set up in a group discussion and problem-solving format.
- C. Participation- This course is intended to be interactive.
- D. Attendance – Students are both expected and encouraged to attend classes regularly. The lack of attendance may affect a student’s grade. For traditional fall and spring semesters, a student may miss a class without penalty equal to the number of times a class meets per week as follows:

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If the class meets once a week a student may miss one class.

If the class meets two times a week a student may miss two classes.

If the class meets three times a week a student may miss three classes.

If a student's absences exceed the number of times a class meets per week, a professor may:

Subject the student to a penalty of not more than one letter grade based on attendance alone; or recommend to the Vice President for Academic Affairs that a student with excessive absences be withdrawn from the course.

E. Academic integrity is assumed and expected of all students taking courses at Southeastern University. Plagiarism—the use of someone else's words or ideas without giving that person credit—is also dishonest and has serious consequences. The consequences of a lack of academic integrity are discussed in the *Southeastern University Student Handbook*.

F. Taking Responsibility-This class meets three times per week for twelve weeks. You need to be there on time. If you cannot be present for a class, you are responsible for notifying the instructor and contacting a fellow student to find out what was covered and to get the next assignment. Failure to take an exam on the assigned date will result in a zero, unless, because of an emergency, taking it in advance has been approved.

G. All academic, policy, and financial holds must be removed from your student account in order to view your grades online.

H. Official Communication Statement: Southeastern University requires all faculty, staff and students to use their Southeastern email address for official university communication. Students are required to check Southeastern email daily as they will be held accountable for all communications sent through this medium.

I. Course Evaluations Statement: In order to help us assess the effectiveness of our courses and instructors, all registered students must complete a course evaluation at the end of the semester. You must complete a course evaluation form for this course before your grade is posted.

Additional resources for students:

Tutoring (Academic Center for Enrichment, Modular #5)

Provides tutoring for developmental students and all students in need of tutoring.

Retention (Addison Building, Office # 222)

Provides counseling for students planning to withdrawal. Helps withdrawing students find financial and other resources to be able to stay in school. Seeks to identify "at risk" students prior to withdrawal.

VI. EVALUATION:

A. Evaluation Activities:

Exam I

100 points

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|---|-----------|
| Exam II | 100 |
| Exam III | 100 |
| Final | 100 |
| Other Assignments/Homework | 75 |
| <u>Quality of Participation (Generally tracking with exams)</u> | <u>25</u> |
| Total | 500 |

There will be three sectional exams. Exams will be a combination of multiple choice and other problem-style questions. Homework assignments should be turned in on time. They will be graded down when they are received late. Most Chapter work builds on previous material learned.

B. Grading Scale – Standard College Scale; Using the weighting factors noted above in the evaluation activities, overall course grades will be assigned, based on the following:

| | | |
|----------|---|------------------|
| 90-100 | A | 450 – 500 points |
| 80- 89 | B | 400 - 449 |
| 70- 79 | C | 350 - 399 |
| 60- 69 | D | 300 - 349 |
| Below 60 | F | 299 and below |

VII. **DISABILITY STATEMENT:**

Southeastern University is committed to the provision of reasonable accommodations for students with disabilities as defined in Section 504 of the Rehabilitation Act of 1973. If you think you may qualify for these accommodations, notify your instructor. You will then be directed to contact the Director of Academic Success at 863-667-5041.

VIII. **TENTATIVE COURSE CALENDAR:**

| <u>Week</u> | <u>Chapter</u> | <u>Subject</u> |
|-------------|----------------|--|
| 1 | 1 | Introduction to Auditing and Assurance Services |
| 2 | 1-2 | Professional Standards |
| 3 | 3 | Engagement Planning; Exam #1 |
| 4 | 4 | Management Fraud and Audit Risk; |
| 5 | 5 | Risk Assessment: Internal Control Evaluation; |
| 6 | 6 | Employee Fraud and the Audit of Cash; Exam #2 |
| 7 | 7 | Revenue and Collection Cycle |
| 8 | 8 | Acquisition and Expenditure Cycle |

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| 9 | 9 | Production Cycle |
| 10 | 9-10 | Production Cycle; Finance and Investment Cycle |
| 11 | 10 | Finance and Investment Cycle |
| 12 | | Exam #3 |
| 13 | 11 | Completing the Audit |
| 14 | 12 | Reports on Audited Financial Statements |
| 15 | | Final Review |

IX. SELECTED BIBLIOGRAPHY:

Various GAAP Guides and other materials from the AICPA and FASB are available through the University's library resources.

X. FINAL EXAM:

Every professor is obligated to administer a final exam or hold an appropriate class during the regularly scheduled exam period. Every student is obligated to take the final exam or attend that appropriate class during the regularly scheduled exam period. Please plan accordingly for final exams. You must not plan vacations, ministry appointments, weddings, purchase airline tickets, or any other similar activity or engagement that will conflict with the final exam schedule. Also, do not schedule any of these activities so close to your final exam that the commute to the activity conflicts with the final exam schedule.

Final exams will be administered in the room where the class normally meets. Students with **more** than 3 exams scheduled on one day can petition the instructor and department chair/college dean to take one of the exams another day.

Planning-wise, we will do our course final review on Friday, December 7 and the final will be Monday, December 10.

Consent to Comply

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I _____ have read, understand, and will keep
Student's Name (print)

In my possession the Course Syllabus for ACTG 4153, Southeastern University, 2012/2013. I understand that in compliance with the syllabus and the Student Handbook, for both instructional and evaluation purposes, I may be responsible for electronically submitting my written work to Turnitin®. With the affixing of my signature below, I agree to comply to the terms therein.

My Signature

Date