

ACCT 6263 - SEMINAR IN AUDITING

Expanded Course Outline

Tuesday & Thursday 5:30 – 6:45 p.m.

Spring 2020

Instructor: Dr. Yun Cheng

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Office Hours: Tuesday & Thursday: 2:00 – 3:30 P.M or email me for appointment

The policy of the University of West Georgia is that each student is responsible for checking his/her my.westga.edu email account on a regular basis.

Catalog Description:

Advanced problems and research in the application of auditing standards; internal control evaluations; applications of statistics; audits of EDP systems; and auditor's ethical, legal, and reporting obligations.

Required Background or Experience:

- Prerequisite: ACCT 4261.
- Prerequisite Justification: This graduate seminar applies the theory from ACCT 4261.
- General Education (Core) Contribution: This course uses the writing skills developed in English, the verbal skills developed in Speech, and the critical thinking and analysis abilities developed in Mathematics. The knowledge gained in core Area IV courses of ACCT 2101 and 2102, CISM 2201 (computer skills), PHIL 4120 (professional ethics) and BUSA 2106 (legal liability) are also used.

Expected Outcomes (www.westga.edu/~accfin/outcomes.htm):

- Improve communication effectiveness in oral presentations and writing (LG1);
- Display critical thinking and analysis abilities through examinations and assignments (LG 4- LO 4.4);
- Understand the impact of professional, legal, and ethical considerations that affect decision making in the auditing area (LG 3 – LO3.1 and LO3.2)
- Conduct descriptive research pertinent to auditing (LG1);

Text(s) and References:

Required Texts:

Thibodeau, Freier, *Auditing and Accounting Cases: Investigating Issues of Fraud and Professional Ethics*, 4th edition, McGraw-Hill Irwin, 2014. ISBN # 978-1-307-51111-6

Mintz, Morris, *Ethical Obligations and Decision Making in Accounting*, 5th edition McGraw-Hill Irwin, 2019. ISBN # 978-1-260-48085-6

Schilit, *Financial Shenanigans*, 4th edition, McGraw-Hill Irwin, 2018. ISBN: 978-1-260-11726-4.

Other:

The Ethics Game (www.ethicsgame.com)

Reference:

Auditing text

Policies:

- **Student Rights and Responsibilities**

Please carefully review the information at the following link:

http://www.westga.edu/assetsDept/vpaa/Common_Language_for_Course_Syllabi.pdf

The document at this link contains important information pertaining to your rights and responsibilities in this class. Because these statements are updated as federal, state, university, and accreditation standards change, you should review the information each semester.

- **Credit Hour Policy**

Students in this class will spend 150 minutes per week with faculty instruction. Generally, students can expect to spend about 450 minutes of class work outside of the classroom each week. This out-of-class work may include, but is not limited to, readings, assignments, projects, group work, research, and test preparation. The amount of out of class time required for a given outcome will vary by student.

Expanded Description of the Course and Instructional Methods:

- Expanded Description of the Course:

This class includes the following topics: the history of auditing leading to SOX, accounting ethics, fraud, and the most current auditing pronouncements. These topics represent the most critical elements for understanding the current state of auditing.

- Instructional Methods:

Lecture and Problem Solving: All assignments must be prepared using presentation and/or word processing software, enhancing these skills.

Cases: Cases test critical thinking and analysis abilities.

Presentation/Discussion of Articles: To achieve greater focus on current issues and enhance oral communication skills.

Methods of Evaluating Outcomes:

- 1) Test 1 (25%); 2) Test 2 (25%); 3) Final Paper (15%); 4) Ethics Game (10%); 5) Case Presentations (10%); 6) Class Participation (15%).

- Homework Assignments—each student must thoroughly read and prepare all assignments before the class meeting. This will enable us to cover the basics of the procedural material in a short period of time, thus freeing us for discussion and current topics.

- Tests: There are two parts for each test. Part 1: multiple-choice questions (accomplished in

class); Part 2: essay-style questions (accomplished at the student's home). Essay question answers should be typed and appropriately organized.

- **Final Paper:** The objective of this paper is to identify a real company that is the subject of an SEC Accounting and Auditing Enforcement Release (<https://www.sec.gov/divisions/enforce/friactions.shtml>) and incorporate any relevant materials from the topics presented in class: Sarbanes-Oxley legislation (SOX), Mintz & Morris - *Ethical Obligations and Decision Making* (especially Chapter 6), and Schilit - *Financial Shenanigans*. Student should register for the Capital IQ platform as a new user at: <https://www.capitaliq.com> and use the data in Capital IQ for financial shenanigans analysis. The paper should be presented in the same format as the case analyses in the above texts:
 - Background of the company
 - Individuals and their titles who are involved
 - Allegations
 - Actions taken by the SEC
 - Analysis of the facts as they relate to SOX, Mintz & Morris, and Schilit (Capital IQ)

The paper should be double-spaced, at least 1200 words, and appropriately organized with headings and sub-headings.

- **Case Presentations:** Various cases will be assigned throughout the semester for students to present and discuss
- **Ethics Game:** An on-line resource with ordering instructions given during the semester.
- **Class Participation:** Participation is graded based on whether the student helps to make the class better. Among other things, it measures the extent to which the student contributed in the form of making comments and discussing questions. It also includes the student's attitude-- did they come in late, leave early, seem to be on their phone or device a significant portion of the time, seem to be engaged in the class, seem to care about being there, etc. Attendance does not count toward participation points.
- **Learning Domains:**
 - Cognitive: Knowledge, comprehension, application, analysis, synthesis, evaluation.
 - Affective: Receiving, responding, valuing, organization, characterization.
 - Psychomotor: Set, complex overt response, adaptation, and origination.

Daily Schedule:

Jan 7 & 9

Topic: *PCAOB*

Class Objectives: a) Discussion of the most recent PCAOB Auditing Standards and Rules:
AS 2501(Revised): Auditing Accounting Estimates, Including Fair Value Measurements

AS 3101: The Auditor's Report on an Audit of Financial Statements when the Auditor Expresses an Unqualified Opinion

PCAOB's Quality Control Concept Release

Print and bring to class. Internet: <http://www.pcaobus.org>

Jan 14 & 16

Topic: *Sarbanes-Oxley Act of 2002.*

Class Objective: Thorough understanding of the implications of this law. Internet:

<http://fl1.findlaw.com/news.findlaw.com/hdocs/docs/gwbush/sarbanesoxley072302.pdf>

Print and bring to class.

Jan 21 & 23

Text coverage: *Auditing and Accounting Cases: Investigating Issues of Fraud and Professional Ethics*

Class Objective: Presentation of cases – SOX

Jan 28 & 30

Text coverage: *Ethical Obligations and Decision Making in Accounting* Chapters 1 & 2

Class Objective: Discussion

Feb 4 & 6

Text coverage: *Ethical Obligations and Decision Making in Accounting* Chapters 3 & 4

Class Objective: Discussion

Feb 11 & 13

Text coverage: *Ethical Obligations and Decision Making in Accounting* Chapters 4 & 5

Class Objective: Discussion

Feb 18 & 20

Text coverage: *Ethical Obligations and Decision Making in Accounting* Chapters 5 & 6

Class Objective: Discussion

Begin Ethics Game

Feb 25 & 27

Text coverage: *Ethical Obligations and Decision Making in Accounting*

Class Objective: Presentation of cases – Ethics

Begin Ethics Game

Mar 3 & 5

Topic: Statistical Sampling – Bring handout to class.

Class Objective: Discussion

Mar 10 & 12

Exam I Due

Text coverage: Financial Shenanigans Chapters 1 – 2

Class Objective: Discussion

Mar 17 & 19 Spring Break; No Class

Mar 24 & 26

Text coverage: Financial Shenanigans Chapters 3-6

Class Objective: Discussion

Ethics Game & Ethical Lens due

Mar 31 & April 2

Text coverage: Financial Shenanigans Chapters 7- 10

Class Objective: Discussion

April 7 & 9

Text coverage: Financial Shenanigans Chapters 11- 14

Class Objective: Discussion

April 14 & 16

Text coverage: Financial Shenanigans Chapters 15- 19

Class Objective: Discussion

April 21 & 23

Presentation: Presentation of cases – Fraud
Final Papers due

April 28

Presentation: Benford's Law (Dr. Bruce Bird)

April 30 Final Exam Due