

Anderson School of Management Accounting Department	
Course Syllabus (check LMS (learn.unm.edu) for most current)	
MGMT 555-Advanced Auditing	
Fall 2016 Thursday's 5:30pm-8:00pm GSM 230	
Instructor	Jessica Mazzie
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Office Hours	Thursday's 4:30pm-5:15pm; ASM 2131

Course Description

This course is designed to illustrate the fundamental principles of audit fieldwork including evaluation of the client's records, assessment of audit risk, completion of detailed audit programs, and preparation of audit workpapers. This course will emphasize the relationship between audit risk, audit evidence, and financial statement assertions. In addition, students will explore the information technology environment, learning to incorporate computer-based audit techniques into specific audit programs and tests of controls.

Note: Management 443 is the required prerequisite to Management 555.

Course Objectives

Upon completion of this course, you should be able to:

1. Explain the relationship between audit risk, audit evidence, and financial statement assertions
2. Understand the risk assessment process and how it is integrated throughout the audit
3. Evaluate audit evidence and documentation, identifying matters that should be included in audit work papers and matters that should be communicated to the client
4. Perform a financial statement audit, applying audit programs to all major income statement and balance sheet accounts
5. Perform tests of controls, analytical review, and substantive testing of account balances and transactions
6. Prepare audit work papers, understanding the purpose of sufficient, appropriate audit evidence
7. Prepare financial statements and client deliverables, including internal control and financial statement findings, as well as recommendations to mitigate identified risks

Required Materials

Principles of Auditing & Other Assurance Services 20th edition by O. Ray Whittington and Kurt Pany, published by McGraw Hill

Comprehensive Audit Case: The Valley Publishing Company 12th edition by Ambrose Jones III and William J. Morris, published by Armond Dalton

Determination of Final Grade

Breakdown of Total Points	
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Casebook Assignments	4 assignments for a total of 500 points
Preliminary Assignment	100 points
Senior Review Notes	100 points
Discussion Board	10 posts at 10 points each for a total of 100 points
Midterm	100 points
Final	100 points
Total Points	1000 points

Final Grade (based on total points)	
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A+	970-1000
A	930-969
A-	900-929
B+	870-899
B	830-869
B-	800-829
C+	770-799
C	730-769
D	700-729
F	<700

Course Policies

Attendance:

It is expected that you will attend all scheduled classes through the semester and that you will arrive on time to each class. Recurring tardiness or repeated absences are considered grounds for removal from the course. If a guest speaker is scheduled for a class, it is important that you arrive promptly.

Class Participation:

Class participation is strongly recommended. One of the key advantages of class participation is that it requires each student to be well prepared and to take ownership of their education. Participation allows you to share your experiences with the class and to learn from those around you. You should feel free to ask questions, provide supportive comments, or challenge ideas constructively.

Discussion Board:

Due to the limited amount of time that our class meets each week and the constraints of answering individual questions via email, it is important that learning is collaborative and that it

continues beyond the classroom. In order to accomplish these objectives, students are required to communicate with each other via the online discussion board on learn.unm.edu. The discussion board should be used to ask questions, provide supportive comments, or challenge ideas constructively. In order to receive full credit for participation, each student is required to post a minimum of ten appropriate and meaningful questions/comments throughout the semester. The instructor has full discretion to withhold points for posts that do not add value to classroom objectives and learning. You are strongly encouraged to go above and beyond the minimum number of posts.

Students are required to keep a log documenting each post. The log should include the following information: 1. student name, 2. date of post, 3. type of post, and 4. summary of content. The instructor will provide a template document to facilitate this requirement. The instructor may collect the log for review at any point in the semester, however, the final document will be collected on November 17, 2016.

Note: Please use your peers to help answer questions regarding the required readings, comprehensive case study, as well as other class topics. Please do not email the instructor individual questions regarding topics/information that the entire class should be privy too. Please save these questions for in-class discussion or post them on the discussion board for your classmates to answer.

Required Reading:

Throughout the semester, you will be assigned required reading. This reading will coincide with the comprehensive case study, emphasizing key auditing concepts, principles, and standards. Additionally, it is strongly recommended that you review several chapters covered previously in Management 443. The course outline provides a schedule of both required and supplemental readings. Assignments are due prior to each scheduled class.

Comprehensive Case Study:

The comprehensive case study is divided into a preliminary assignment and ten working assignments, including financial statement preparation. Assignments must be completed in excel using the templates provided on the case website (<http://armonddalton.com/compauditcase.html>) or the templates provided on the comprehensive CD. Assignments must be completed and turned in prior to the commencement of class. See the course outline for the schedule of due dates.

Group Work: Students will work in groups in order to complete the ten working case study assignments. Groups must have minimum of three students, but may not exceed four. One member of each group is required to email the instructor with a listing of team members. Emails should be sent to the instructor on or before September 15th. Assignments must be uploaded to LEARN under the applicable assignment, using the appropriate naming convention (GROUP NUMBER_WORKPAPER NAME). Additionally, a hard-copy must also be turned in to your instructor.

Individual work: The preliminary assignment will be completed individually. This will help each student obtain an overall perspective of the Company's financial statements before getting involved in the audit of the individual accounts. The preliminary assignment must be uploaded to LEARN under the applicable assignment, using the appropriate naming convention (LASTNAME_FIRSTNAME_WORKPAPER NAME). Additionally, a hard-copy must also be turned in to your instructor.

Each student is also required to act as the senior of the engagement at least once during the course of the semester. Each group will rotate the senior position, choosing only one individual as acting senior per assignment. The senior will review each workpaper associated with a particular assignment. It is important that other team members complete their work timely so as to allow for the senior review and clearance of any review points. The senior's review comments will be turned into the instructor and will serve as an individual grade. Specific instructions for this assignment will be discussed in class and will be available on LEARN.

Each individual group member **MUST** complete and turn in a peer evaluation form with at the end of the semester. Evaluations are confidential and may not be completed using any input from members of your team. You may upload your evaluation to LEARN under the applicable topic, using the appropriate naming convention (LASTNAME_FIRSTNAME_CASEEVAL) or you may turn in the appropriate form at the beginning of class. You **MAY NOT** share the results of your evaluation with your team members. Evaluations are due on December 8th. See the course outline for the schedule of due dates.

Exams:

There will be two exams administered during the semester. The exams will cover textbook readings (supplemental and required), the comprehensive audit case, and class discussions. The format for the exam could include case study simulations, multiple choice, true/false, and short answer/essay questions. The midterm exam will cover material from the first half of the semester, while the final exam will be cumulative. Both exams are closed book. In order to miss either the midterm or final exam, you must obtain permission from your instructor. If you fail to obtain permission, you will be assigned a zero. A make-up exam is granted at the discretion of the instructor, only with prior arrangements, and must be completed prior to the scheduled exam date (unless circumstances make this clearly impractical).

Class Announcements:

Class announcements (cancelled classes, important deadlines, updates to the syllabus, grades, etc.) will be made via learn.unm.edu. It is important that you log on to our class page at least once a week in order to stay current. It is your responsibility to know about important deadlines or changes made to class requirements.

Incompletes:

An “I” may be awarded when only a small portion of a student’s work is incomplete due to circumstances beyond his or her control and he or she is otherwise earning a passing grade. “I” grades should be used in emergency situations only and should not be used to avoid a poor grade.

Document Retention:

After homework and exams are graded, they can be reviewed in class or they can be reviewed during the instructor’s office hours. These materials will be retained for two weeks into the following semester and will then be destroyed.

University Policies

Academic Integrity:

Anderson School of Management faculty, staff and students commit to values of trust, honesty, integrity, and accountability. We will not tolerate academic dishonesty. By enrolling in any course at Anderson, the student accepts the Anderson Academic Honesty Code and affirms the following pledge:

I will not lie, cheat, fabricate, plagiarize or use any other dishonest means to gain unfair academic advantage.

Any violation of the code of conduct will be taken very seriously and appropriate sanctions will be applied. FOR FULL TEXT OF ANDERSON’S ACADEMIC HONESTY CODE, please visit <http://www.mgt.unm.edu/honesty>.

Students with Disabilities:

Qualified students with disabilities should contact the Accessibility Resource Center. Reasonable accommodations will be given to any individual with a legitimate disability. Please contact the instructor privately for arrangements. If you are a qualified person with disabilities who might need appropriate academic adjustments, please communicate with me as soon as possible so that we may make appropriate arrangements to meet your needs in a timely manner. Frequently, we will need to coordinate accommodating activities with other offices on campus. Course materials can be made available in alternative formats.

Religious Holidays:

Students who anticipate the necessity of being absent from class due to the observation of a religious holiday must provide notice of the date(s) to the instructor, in writing, by the second class meeting.

Copyrights:

Students must obtain my permission to tape lectures. Under no circumstances may these materials be sold to others.

Cell Phones:

Cell phones are very disruptive to class. As a matter of courtesy, all audible signals of communication devices should be turned off or disabled during classes (that is, you are prohibited from using a cell phone or smartphone during class). Individual discretion should be used in determining when exceptions should be made relative to emergency personnel or situations.

Use of Computers:

Students are permitted to use computers during class for note-taking and other class-related work only. Those using computers during class for work not related to that class will be asked to leave the classroom for the remainder of the class period.

Course Outline

Dates	Class Topics	Audit Case Study	Deliverables Due on or before date specified	Required Reading	Supplemental Reading
Aug 25	Introduction, Audit Case Overview	Preliminary Assignment Review PY WPs, Perm. File, and APGs Download PBCs			
Sep 1	Audit Planning/ Preliminary/ Test of Controls	Preliminary Assignment: General Audit Program Preliminary Audit Program Internal Controls Audit Program 1-2 Trial Balance 1-3 Preliminary Analytical Procedures 1-4a Control Environment Memo Process Flowcharts Control Matrix	Preliminary Assignment: Review PY WPs, Perm. File, and APGs. Download PBCs	Chap 8	Chap 5, 6,7
Sep 8	Cash in Banks on Hand	Assignment #2 A-0 Audit Program A-1, A-2, A-4 Bank Reconciliations A-3, A-5 Bank Confirmations	Individual Preliminary Assignment: Coversheet Relevant Audit Programs		Chap 10

		A-6 Interbank Transfers A-7 Cash on Hand AJEs/RJEs Management Comments	1-3 Preliminary Analytical Procedures 1-4a Control Environment Memo		
Sep 15	Cash in Banks on Hand Workpaper Clarity, References, and Tickmarks	Assignment #2 A-0 Audit Program A-1, A-2, A-4 Bank Reconciliations A-3, A-5 Bank Confirmations A-6 Interbank Transfers A-7 Cash on Hand AJEs/RJESs Management Comments	One member of each group required to email instructor specifying group members		
Sep 22	Accounts Receivable, Bad Debts, and Advertising Revenue	Assignment #3 B-0 Audit Program B-1 Accounts Receivable B-1a Allowance for Bad Debts B-2 to B-11 Confirmations AJEs/RJEs Management Comments			Chap 11
Sep 29	Inventory, Sales	Assignment #4 C-0 Audit Program C-1 Newsprint Inventory C-1a Support for AJEs C-1b Voucher Register Supplement C-2 Inventory Count C-3 Newsprint Ink C-3a Support for Quantity Consumed C-4 Test of Publication Sales AJEs/RJEs Management Comments	Assignment #3 Coversheet B-0 Audit Program B-1 Accounts Receivable B-1a Allowance for Bad Debts B-2 to B-11 Confirmations		Chap 12
Oct 6	Property, Plant, and Equipment	Assignment #6 F-0 Audit Program F-1 Building and Accumulated Depreciation F-2 Printing Equipment and Accumulated Depreciation F-2a to F-2b Analysis of Additions/Dispositions F-3 Furniture and Office Equipment and Accumulated Depreciation F-4 Computer Equipment and Accumulated Depreciation F-5 Repairs and Maintenance F-6 Depreciation Expense AJEs/RJEs		Chap 13	

		Management Comments			
Oct 13	Fall Break—No Class				
Oct 20	Midterm Prepaid Expenses, Investments, and Related Expenses	Assignment #5 D-0 Audit Program E-0 Audit Program D-1 Schedule of Prepaids D-2 Confirmation D-3 Schedule of Prepaid Rent E-1 Schedule of Investments AJEs/RJEs Management Comments	Assignment #6 Coversheet F-0 Audit Program F-2 Printing Equipment and Accumulated Depreciation F-2a Analysis of Additions/Dispositions F-5 Repairs and Maintenance	Chap 13	
Oct 27	Vouchers Payable, Accrued Liabilities, Deferred Revenue	Assignment #7 G-0 Audit Program G-1 Vouchers Payable G-2 Unrecorded Liability Search H-1 Accrued Payroll H-2 Accrued Payroll Taxes H-3 Accrued Property Taxes H-4 Dividends Payable H-5 Unearned Subscription Revenue AJEs/RJEs Management Comments		Chap 14	
Nov 3	Long-term Debt, and Related Accounts, and Stockholder's Equity	Assignment #8 I-0 Audit Program J-0 Audit Program I-1 Long-term Debt I-2 Confirmation I-3 Interest Expense J-1 Capital Stock K-1 Retained Earnings AJEs/RJEs Management Comments	Assignment #7 Coversheet G-0 Audit Program G-1 Vouchers Payable G-2 Unrecorded Liability Search H-3 Accrued Property Taxes	Chap 15	
Nov 10	Operations	Assignment #9 M-0 Audit Program M-1 Payroll Tests M-2 Professional Fees M-3 Misc. Income M-4 Misc. Expense AJEs/RJEs Management Comments		Chap 17	Chap 16
Nov 17	Completing the Audit	Assignment #10b General Audit Program Management Rep Letter Legal Letter Final TB Final Analytical Review AJEs/RJEs	Discussion Board Log Due Assignment #10b Final TB AJEs/RJEs		

		Management Comments			
Nov 24	Thanksgiving Break—No Class				
Dec 1	Financial Statements	Assignment #10c General Audit Program Balance Sheets Statement of Income and RE Statement of Cash Flows Notes to the Financial Statements Auditor Report	Assignment #10b Coversheet Final Analytical Review		
Dec 8	Cumulative Course Overview		Peer Evaluations due Assignment #10c Coversheet Financial Statements (excluding notes) Internal Control Management Letter		
Dec 15	Final Exam				