

**University of New Mexico  
Anderson School of Management  
Department of Accounting  
MGMT 544 – Assurance Services**

**Spring Semester 2016 – 3 credit hours**

**Prerequisite: MGMT 540. Corequisite: MGMT 541**

**Call # 25361 meets on Thursday from 5:30PM to 8:00 PM in ASM 1064**

Instructor: Matt Doxtator, CPA, CIA, CFE

Office: ASM 2131

Email: [mdoxtator@unm.edu](mailto:mdoxtator@unm.edu)

Phone Number: 505-379-2867

Office Hours: Monday 4:30-5:20 pm or by appointment

Course Catalogue Description: An examination of assurance processes involved in developing knowledge bases to support decision makers. The course will include auditing techniques and emerging issues such as ElderCare, Performance View, SysTrust and WebTrust will be explored. Prerequisite: MGMT 540. Corequisite: MGMT 541. The course catalogue should also say: The classes of audits, audit reports, professional ethics and legal responsibility.

**Statement of Learning Objectives:** The primary objective of this course is for you to develop an understanding of the purpose and methods of a financial statement audit by independent public accountants – an understanding, in other words, of the attest function of CPAs. Many of the concepts you will study are also relevant to other types of auditing and assurance services.

There are four secondary objectives. The first is for you to learn how to prepare working papers. This is important with respect to starting work as a staff auditor and, more generally, understanding the quality of documentation (of your work) expected in most business and professional work environments. Second, the course provides a framework that should help you prepare for the auditing part of the CPA exam. It is important to note, however, that we do not have time to cover all the topics that may appear on the CPA exam. Third, I also hope that you will find the “professional skepticism” and the logic of the audit process you learn in this course helpful in your daily life. One final objective is to provide you with the opportunity to improve the skills necessary to succeed in today’s business environment. These include both written and verbal communication skills, as well as critical thinking and problem solving skills. You will be expected to participate in the in-class discussions on assigned topics.

**Course Format:** The course will be taught by lecture, discussion and questions. You should come to class fully prepared to discuss each day’s assignment. I am always open to any questions you may have regarding the reading assignments, quizzes, or homework problems. Students’ feedback indicates that the most effective way to study for this course is to read the material and attempt the problems before the material is presented in class. As with other accounting classes, you cannot afford to fall behind.

**Required Texts:**

1. Arens, Elder & Beasley, Auditing and Assurance Services: An Integrated Approach, 15<sup>th</sup> Edition, Prentice Hall

**Course requirements and Grading criteria:**

Exam 1	100 points
Exam 2	100 points
Final Exam	100 points
Quizzes	50 points
Participation	50 points
<u>Team projects</u>	<u>100 points</u>
Total	500 points

**Final Grade (based on total points)**

483-500	A+	418-432	B	350-367	C-
468-482	A	400-417	B-	300-349	D
450-467	A-	383-399	C+	<300	F
433-449	B+	368-382	C		

In = Incomplete assigned only under conditions specified in the University Faculty Handbook.

**Professionalism:** Please follow the class policies (below). In the rare occasion that anyone fails to be professional in their behavior, this will result in a reduction of course points. Come prepared to participate in lectures and discussions by reading chapters and attempting homework problems. This is part of professionalism. Except for laptops, tablets etc., used for note-taking, please do not use electronic devices during class.

**Assignments (Case Study/Team Projects):** Late assignments will not be accepted. Excused or un-excused absences will not affect the deadlines imposed for class assignments. If you expect to miss a class in which an assignment is due, you are expected to deliver the assignment early during office hours or via email. All written assignments are to be typed using a word processor in 12-point font with 1-inch margins for all borders. It is expected that all written assignments will be free of errors (this includes typos and spelling or grammatical errors) and handwritten corrections are not acceptable. Because these types of errors undermine the credibility of the author and distract the reader, I want to reiterate the importance of ensuring your work is proofread, to prevent the deduction of points from assignments.

**Homework Problems:** Homework problems from the text are assigned on most class days. Students are encouraged to learn from each other by working together on homework (unless otherwise instructed). Homework problems will not be collected but you are encouraged to stay current as quizzes

and exams will test material practiced in homework problems. Certain homework questions will be discussed in class and failure to complete the assigned homework will limit your ability to participate in these discussions which may in turn affect whether you receive maximum points for participation (see next section for more on participation).

**Attendance/Participation/Write-up (50 Points):** Students who do not attend class in the first two weeks of the semester may be dropped from the course. Participation points are awarded for the course and those who don't attend class obviously cannot participate. Up to 15 participation points will be assigned based on your overall participation in the course including attendance and engagement in discussions. During the semester we will have several guest speakers and another 10 participation points can be earned by asking meaningful questions of the presenters and engaging in discussions.

During the semester you will be assigned to bring in a write up of one current article (25 points). I will review these and we will discuss some of them in class. Current event articles cannot be made up if missed on the assigned day. The article write up deadline and description will be announced in class and/or be posted on UNM Learn.

**Quizzes (50 Points):** Quizzes may be either pre or post-chapter quizzes and will test material we are about to cover (have you read the material?) or material we have just gone over (are you internalizing the material?). The pre-chapter quizzes will comprise true/false questions. The post-chapter questions will be in a variety of forms including fill-in-the-blank, multiple choice, or problems. Quizzes will be given in class, announced or unannounced. Be ready for quizzes by reading the upcoming chapters (pre-chapter quiz), reviewing the chapters and lecture notes and doing the homework. Quizzes will be worth 10 points each and your top 5 quizzes will be used to compute your final grade.

**Team Project (100 Points):** In order to enhance your audit experience, we will form teams during the semester and each team will be responsible for a case study project worth 100 points. Students will be allowed to form their own teams, but I reserve the right to add or remove team members if necessary. Each team will be required to make a presentation to the class. The project deadline, project description, grading criteria and any materials necessary to complete the project will be discussed during the semester and/or posted on UNM Learn.

**Exams (300 Points):** During the semester we will have 3 exams which will make up 60% of your grade. Exams will be administered in class and will be based on textbook lectures, current event discussions, and homework assigned. These exams are cumulative, but the main focus of the exams will be on the chapters just covered in the course. Exams must be taken at the scheduled times, except in exceptional (based on my judgment) and verifiable circumstances. If you do miss an exam and are properly excused, the weight of that exam will be placed on your other two exams. Make up exams will not be given.

## **University Policies**

**Academic Dishonesty:** See the UNM Policy on Academic Dishonesty in the UNM Faculty Handbook (D100): <http://handbook.unm.edu/>

Because of the University's commitment to academic integrity, plagiarism or cheating on course work or on examinations will result in a grade of "F" for the course and removal from the course. Any incident of academic dishonesty will be taken seriously and the University reserves the right to take disciplinary action, up to and including dismissal, against any student who is found guilty of academic dishonesty or

otherwise fails to meet these standards. Definitions and disciplinary guidelines for academic dishonesty may be found at the web address listed above.

**Students with Disabilities:** In accordance with University Policy 2310 and the Americans with Disabilities Act (ADA), academic accommodations may be made for any student who notifies the instructor of the need for an accommodation. It is imperative that you take the initiative to bring such needs to the instructor’s attention, as I am not legally permitted to inquire. Students who may require assistance in emergency evacuations should contact the instructor as to the most appropriate procedures to follow. Contact the Accessibility Resource Center if you have any questions about services available or your eligibility. The telephone number is 505-277-3506 or you can get information from the web site <http://as2.unm.edu/>.

**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.

**Course Schedule:** The course syllabus provides a general plan for the course; deviations may be necessary. It is your responsibility to stay apprised of changes in assignments, due dates, material to be covered, etc.

Date	Topic	Readings and Assignments
1/21	Introduction	
1/28	Demand for Audit and Other Assurance Services, The CPA Profession	Read Chapters 1, 2 P 1-17, 1-18, 2-18, 2-22,
2/4	Professional Ethics and Legal Liability	Read Chapter 4 and 5 P 4-20, 4-21, 4-23, 4-28 P 5-21, 5-25, 5-27
2/11	Audit Responsibilities and Objectives and Audit Evidence	Read Chapters 6 and 7 P 6-23, 6-26, 6-29, 6-31, 7-27, 7-28, 7-33, 7-39
2/18	<b>Exam #1: Chapters 1,2,4-7</b> <b>Potential Guest Speaker</b>	
2/25	Audit Planning and Analytical Procedures and Materiality and Risk	Read Chapter 8 and 9 P 8-26, 8-32, 8-37, 8-39, 8-40, 9-26, 9-27, 9-32, 9-35, 9-37, 9-38
3/3	Internal Control, Control Risk and Section 404 Audits <b>Potential Guest Speaker</b>	Read Chapter 10 P 10-36, 10-40, 10-43
3/10	Audit of the Sales and Collection Cycle	Read Chapters 14 and 16 P 14-25, 14-26, 14-32, 14-34 14-35, 16-23, 16-25, 16-26, 16-30, 16-35, 16-36
3/17 – Spring Recess		

3/24	<b>Exam #2: Chapters 8-10,14,16</b> <b>Potential Guest Speaker</b>	
3/31	Audit Sampling and Testing of Controls, Transactions and Balances	Read Chapters 15 and 17 P 15-28, 15-29, 15-34, 15-35, 17-27, 17-28, 17-29, 17-30, 17-32
4/7	Audit of Cash Balances Audit of Inventory	Read Chapter 21 and 23 Ch 21 problems - TBA P 23-18, 23-21, 23-22, 23-26
4/14	Audit of the Acquisition and Payment Cycle <b>Guest Speaker</b>	Read Chapter 18 and 19 18-23, 18-25, 18-30, 18-32 19-21, 19-23, 19-28, 19-30
4/21	Completing the Audit <b>Presentations</b>	Read Chapter 24 P24-26, 24-27, 24-31
4/28	<b>Presentations</b>	
5/5	<b>Presentations</b> Final Review	
5/12	<b>Final Exam: Chapters 15,17,18,19,23,24</b>	

Doing Good/Having Fun – Individuals can earn five points towards their overall course grade for performing each of the following activities once throughout the semester:

Doing Good – Some time during the semester, perform an act of service and give me a one paragraph write up. You may also share with the class what you did.

Having Fun – Some time during the semester, do something fun that you have never done before and give me a one paragraph write up. You may also share with the class what you did.

Each activity needs to be professionally appropriate. These activities are to remind us that there is life beyond auditing and accounting.

**Key Leadership Skill(s) and Perspectives addressed in this course:**

Interpersonal And Communication Skills	Analytical and Critical Thinking Skills	Information Technology Skills	Reflective Thinking and Experiential Learning	Ethical and Social Consciousness	Multicultural Competence
X	X	X	X	X	X

**INTERPERSONAL AND COMMUNICATION SKILLS:** An integral part of being an auditor is being able to understand and communicate with various parties, including client employees and fellow auditors. Written and verbal communication skills will be addressed via weekly assignments, class presentations, cases, and the term project.

**ANALYTICAL AND CRITICAL THINKING SKILLS:** One of the key attributes of an auditor is having strong problem solving skills. The ability to evaluate problems, analyze data, propose alternative courses of action and make a final decision will be addressed via weekly assignments and cases.

**INFORMATION TECHNOLOGY SKILLS:** As part of any audit, an auditor must have basic computer proficiency, including the ability to use word processing, presentation and spreadsheet software. In addition, it is important to have the skills needed to conduct basic research via the Internet. These areas will be addressed via weekly assignments, current event assignments and class presentations.

**REFLECTIVE THINKING AND EXPERIENTIAL LEARNING:** The process of auditing involves more than just accounting knowledge. We will focus on a multidisciplinary approach to solving problems and, via our weekly assignments, cases and class discussion, will see the importance of other disciplines such as management, finance, psychology and organizational behavior. We will also discuss, on a regular basis, the importance of personal professional development for an auditor.

**ETHICAL AND SOCIAL CONSCIOUSNESS:** Ethical dilemmas often lead to fraudulent behavior and we will, via weekly assignments, cases and class discussion, focus on the importance/significance of corporate social responsibility and related ethical and legal responsibilities of both companies and individuals. Environmental liabilities have also become a significant issue for many companies and their impact on the accounting profession continues to develop. Using information available on the internet, we will address issues in this area via class discussion.

**MULTICULTURAL COMPETENCE:** Auditing issues are not limited to the United States and we will, via class discussion, cases and journal articles, address global issues, including the impact of culture on decision making.