ACCT 409  
Auditing Theory  
Spring 2017

Professor: Mike Braswell, Ph.D.  
Office Location: Beatty Center 406  
Email: braswelljm@cofc.edu

Office Hours: Mon/Wed: 11:30-1:30 p.m. 
*Please check with me prior to attending office hours; I sometimes have meetings that conflict with office hours, but will be happy to schedule another meeting time with you.

Class Meeting Times:  
Section 1: M/W 5:30-6:45 p.m.; Beatty 218  
Section 2: Tues. 5:30-8:15 p.m.; Tate 131

Required Textbook:  
ACCT 409 Course Packet (available at the Campus bookstore)

Prerequisites:  
Senior standing; ACCT 203, 204, 316, 317; ACCT 307

Course Description: The role of independent auditors, their legal responsibilities, professional ethics, auditing standards, internal control, statistical sampling, basic auditing techniques and limited consideration of the role of the internal auditor are examined.

After completing this course, I expect you to have developed an understanding of:

- the strategic approaches to auditing financial statements
- specific procedures used to audit various financial statement accounts
- business processes/risks and how they relate to financial statement disclosures
- internal control structures (how they are designed and tested)
- the auditor’s role in public companies’ financial reporting processes
- the effects of SOX 2002 on the auditing profession
- appropriate techniques for writing business memos
- current issues affecting audit firms and corporations
- to develop your presentation and public speaking skills

**This course is not intended to completely prepare you for the auditing section of the CPA exam. Students that work hard and earn an A in the course should consider themselves to be about 85% prepared for the CPA exam. Please consult CPA study aids for complete preparation for the exam.

Learning Outcomes for Bachelors of Accountancy:

For the Goal- Functional Knowledge of Accounting
1. Demonstrate functional knowledge of financial accounting and auditing.

For the Goal- Ethical Responsibilities
2. Write effective and concise professional reports that are technically correct.
For the Goal: Effective Communications
3. Recognize and understand ethical dilemmas and socially responsible behavior relating to accounting professionals.

Course Policies:

Academic Integrity: Cheating or plagiarism in any form will result in a failing grade for the course. Each student must adhere to the College of Charleston Honor Code and Code of Student Conduct. This includes signing the role for other students. Students can find the complete Honor Code and all related processes in the Student Handbook at http://studentaffairs.cofc.edu/honor-system/studenthandbook/index.php

Attendance Policy: Attendance in this course is mandatory. Examinations and assigned materials will require attendance of all classroom lectures. Make-up examinations are not given. Late assignments are not accepted under any circumstance. If the student is to be absent, assignments must be submitted prior to the due date.

Class roll will be routinely taken. Late arrivals who miss the roll call will be counted as absent for that day. Any student who misses more than two classes may receive a failing grade for the course and/or will be administratively dropped from the roll. You will also lose any curves awarded on exam grades if you miss an unacceptable number of class meetings.

In extreme cases exceptions to the absence policy may be made on an individual (case-by-case) basis. These exceptions will only be considered with appropriate documentation requested by the professor and a letter from the Dean of Students.

Policy on Cell Phones, Laptops and PDA Devices
The use of all PDA devices, including cell phones and laptop computers are expressly forbidden in the classroom. Texting, receiving or sending messages, cell phone use, or the use of laptop computers will result in immediate dismissal from the lecture with an absence recorded.

Also, for each violation of this policy, the penalty will be a reduction of the student’s final grade by one letter grade. (For example if you violate this policy, this means that if you have earned a B for the course, you will be assigned a C for the course. If you earn a C+ for the course, you will be assigned a D+ for the course, etc.) Furthermore, students who violate this policy will automatically lose the benefit of any curve given during the semester and their grade will be reduced by one letter grade after the curve has been taken away. Students must keep these devices turned off and out of sight during class. It is a violation of this policy to keep such devices on your lap. On the first violation, the student will have assigned seating for the rest of the semester.

Disability Accommodation: The College of Charleston complies with the Americans with Disabilities Act. If you need accommodation, please see me during the first week of class. The College will make reasonable accommodations for persons with documented disabilities. Students should register at the Center for Disability Services / SNAP, located on the first floor of the Lightsey Center, Suite 104. Students approved for accommodations are responsibility for notifying me as soon as possible and for contacting me one week before an accommodation is needed.

Other Policies:
• Per policy, this course consists of me, the professor and you, the student(s). It is not legal for me to discuss your performance in this course with anyone other than you. To be clear, I will not be responding to your parents’ concerns about your performance in class as College of Charleston policies and state laws prohibit me from doing so.
• Audio and visual recording media are forbidden in the classroom. Under no circumstance is it permissible to record my lectures.
• Students are never to walk in late for class or leave early unless prior arrangements have been made with the professor. Tardy students will not be permitted to take examinations. If you arrive late or leave early without explicit permission, you will be counted as absent for the day.
• Any student who is considered by the professor to pose a disruption of instruction will be administratively withdrawn, dismissed from the class permanently and/or receive a failing grade for the course. This determination shall rest absolutely with the professor.
• Students must complete all assigned material before coming to class. The professor reserves the right to not address questions or comments by those not doing the assigned work prior to class. This is consistent with the College of Charleston Classroom Code of Conduct (see Student Handbook, page 51).
• Sleeping in class is rude and will result immediate dismissal from the lecture with an absence recorded.
• This syllabus may be amended by the Professor as needed.

Grading:

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<thead>
<tr>
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<tbody>
<tr>
<td>Exams (3 at 25% each)</td>
<td>75%</td>
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<tr>
<td>6 Case Studies (3% each)</td>
<td>18%</td>
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<tr>
<td>Class Participation</td>
<td>7%</td>
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**Exams:**
Three in-class exams will be held throughout the semester. The format of the exams typically consists of CPA exam multiple choice questions, but also includes matching and short essay questions.

Exams will be given during scheduled class periods only. I will not give make-up exams unless there is a pre-approved excuse (with documentation). **It is extremely rare that I agree to let you take a make-up exam. If you miss an exam without permission, then you will receive a 0 for that exam grade.** You have one week from the time the graded exams are returned to you to challenge anything that may concern you. After the one week period ends, there will be no changes to those grades.

**Case Studies:**
Throughout the semester you will work on case projects that will allow you to implement the auditing techniques in a realistic case setting. There will be a total of six case studies that will be completed in groups that will be determined at a later date. More details about the cases will be provided during class. During our final class meeting, students will present their findings on one of their four case assignments.

**Class Participation:**
You are expected to attend and participate in course lectures. Failure to do so on a consistent basis will result in a low grade for the **Class Participation** component of your overall course grade.
Grading Scale:
I will follow the plus-minus grading system whereby course letter grades correspond to the following numerical course averages:

<table>
<thead>
<tr>
<th>Numerical Course Average</th>
<th>Letter Grade</th>
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<tbody>
<tr>
<td>100-91%</td>
<td>A</td>
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<tr>
<td>90%</td>
<td>A-</td>
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<tr>
<td>89%</td>
<td>B+</td>
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<tr>
<td>88-81%</td>
<td>B</td>
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<tr>
<td>80%</td>
<td>B-</td>
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<tr>
<td>79%</td>
<td>C+</td>
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<tr>
<td>70%</td>
<td>C</td>
</tr>
<tr>
<td>69%</td>
<td>D+</td>
</tr>
<tr>
<td>68-61%</td>
<td>D</td>
</tr>
<tr>
<td>60%</td>
<td>D-</td>
</tr>
<tr>
<td>Below 60%</td>
<td>F</td>
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</tbody>
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Additionally, I do not “round up” grades-meaning that a student earning an 89.9% in the class will receive a B+ for the course.

Homework:
I have assigned homework problems for each chapter covered in class. I will not grade these homework problems, but we may review them in class. The homework is designed to prepare you for the exams. It is in your best interest to work on the homework as we cover the material rather than waiting just before the exam. Feel free to contact me if you are struggling with anything.

Course Introduction
Chapter 1: The Demand for Audit and Other Assurance Services Continued
Chapter 2: The CPA Profession
Chapter 3: Audit Reports
Chapter 4: Audit Evidence
Chapter 5: Audit Planning and Analytical Procedures (selected material)
  • Analytical Procedures- Winery Financial Statements

Exam 1: Chapters 1, 2, 3, 4, & 5
Chapter 6: Internal Control, Control Risk and Section 404 Audits
Chapter 7: Audit of Sales and Collections Cycles
Chapter 8: Completing the Tests in the Sales and Collection Cycle: Accounts Receivable

Exam 2: Chapters 6, 7 & 8
Chapter 9: Audit of the Acquisition and Payment Cycle
Cash Receipts & Disbursements; Audit of Cash Account
Chapter 10: Completing the Tests in the Acquisition and Payment Cycle
Chapter 12: Audit of the Inventory and Warehousing Cycle

Exam 3: Chapters 9, 10, 12 & Audit of Cash