

SYLLABUS: ACCOUNTING 5250 ADVANCED AUDITING

UNIVERSITY OF VIRGINIA SCHOOL OF CONTINUING & PROFESSIONAL STUDIES NORTHERN VIRGINIA CENTER

(1) **Course Information**

ACCT 5250: Advanced Auditing
3 semester hours of graduate credit

(2) **Instructor Information**

Richard T. Evans, MBA, CPA, CISA

(571) 338-3855
re7n@virginia.edu

(3) **Course Dates and Times**

Thursday's 6:30-9:30PM
January 30th to May 8th, 2014

(4) **Course Prerequisites**

ACCT 5210 Introductory Auditing (mandatory)

(5) **Course Description**

This course builds on the knowledge base from Introductory Auditing, to provide students with an in-depth understanding of professional standards, the audit process, advanced auditing techniques, and the auditor's role in ensuring that publically issued financial statements are fairly presented. Students will apply auditing procedures to financial statement transaction cycles, and conduct audit sampling and testing techniques using specialized data analysis software. The course will also cover advanced topics concerning complex auditing judgments, and the use of audit software tools.

(6) **Course Objectives**

In this Advanced Auditing course, students will build on their understanding of audit theory and its application to the audit of financial statements. The emphasis of this course is on the practical application of audit procedures on realistic financial audit case scenarios. Upon completion of this course, students will gain proficiency in audit planning, evidence collection and documentation, evaluation of internal control, and assessment of fraud risk. Students will also learn to employ computer-based audit testing techniques to conduct analytical review procedures, statistical sampling, tests of controls and substantive tests of the revenue cycle, the acquisition/payment cycle, capitalized assets, and long-term liabilities.

(7) **Required Text:**

Auditing: A Risk-Based Approach, 9th Edition
Johnstone, Gramling and Rittenberg; Publisher: Cengage Learning

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The textbook is available directly from the publisher, or via on-line vendors, CourseSmart eBooks, or other local book sellers. You may use either the print or electronic version of the text. In addition, we will be using a specialized PC-based audit software called IDEA, for *Interactive Data Extraction and Analysis*. Ordering information for the software (educational version) and Case Workbook will be provided the first day of class. Please do not pre-order before class, as I want to ensure that you receive the student/academic discount.

(8) Course Methodology

This course will follow a case-study approach, with each week's assignment focusing on a particular financial statement audit area. Your coursework each week will begin with a chapter reading assignment from our text, where you will gain initial exposure to the material. It is vital that you complete the reading assignment prior to the lecture for that topic, in order to get the most out of our classroom time together. Beginning each class session, the instructor will provide a brief lecture covering the topic, and then demonstrate the audit procedures that the students will then employ as a homework assignment. Students will complete audit case homework assignments using MS Excel and CaseWare IDEA, to gain proficiency in realistic audit testing as employed in professional practice. All homework case solutions and a copy of the lecture slides (in pdf format) will be made available on our UVA Collab course site following each class session.

(9) Course Sequence

<u>Session</u>	<u>Topic</u>
Session 1:	Introduction to Advanced Auditing/Overview
Session 2:	Audit Evidence and Planning
Session 3:	Specialized Audit Tools
Session 4:	Sampling I
Session 5:	Sampling II
Session 6:	CaseWare IDEA Audit Case Study
Session 7:	Auditing the Revenue Cycle
Session 8:	Auditing Cash and Marketable Securities
Session 9:	Auditing Inventory, Accounts Payable and the Acquisition Payment Cycle
Session 10:	Auditing Long-Lived Assets
Session 11:	Auditing Debt Obligations and Stockholders Equity
Session 12:	Advanced Topics and Complex Auditing Judgments
Session 13:	Other Services Provided by Auditing Firms

(10) Course Requirements

A. Class Attendance

Attendance is very important for success in this course. The lecture and class discussion are an integral part of the instructional program, and because each class session, in sequence, builds on the previous one; it is essential that you not miss a class meeting. For those rare occasions where it is not possible for you to attend class due to work

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related travel or illness, it is your responsibility to complete the assigned reading and homework, and to be ready for the next class meeting.

B. Homework and Assigned Reading

Chapter reading assignments and homework are extremely important to your learning. It is your responsibility to read the information and complete the homework prior to the class covering that topic. I will collect homework and review your solutions to ensure that you are keeping up, and to help me identify areas where you might be having difficulty. I will solve, during class, as many of the case problems as time permits. The homework case assignments must be turned in during class, or received by the instructor via e-mail or UVA Collab upload by 6:30PM for the assigned week in order to receive full credit. Late homework assignments will not be accepted.

C. Auditing Case Study Approach

In addition to the multiple-choice questions at the end of each chapter, homework for this course will also consist of three audit case studies, where the student will complete actual computer test procedures using CaseWare IDEA data analysis software. Cases will be realistic business audit scenarios, using fictitious data, allowing the student to follow the typical audit testing steps for each financial statement area. Each case will take approximately 5-6 hours to complete, and students will have three weeks to complete each case assignment.

D. Examinations

There will be one mid-term and a final examination at the end of the semester. The examinations will be multiple choice and short answer, and will closely mirror the format of assigned multiple choice homework problems. All scheduled examinations will be held in our classroom and will begin at the regular class convening time. Each examination has a 3 hour time limit, is closed book and closed notes. Calculators may be used, but not be shared on the exam, and programmable calculators, cell phones, or pagers are not allowed at any time. You are expected to be present and to complete each exam on the date identified in the Course Schedule (Attachment A). If you cannot be present for a scheduled examination, it will be necessary for you to travel to the Center and to complete a make-up examination. All make-up examinations must be completed before the next scheduled class. A make-up final examination, however, must be completed within two working days after the scheduled final examination. All make-up examinations will use a different test version from the examination given at the regularly scheduled time.

E. On-Line Learning Management System

This course will utilize the **UVA Collab** on-line Learning Management System. Students will need a UVA computing ID and password, as well as a UVA email account. A personal computer running Internet Explorer, Safari or Mozilla Firefox is required in order to access the course site. Our UVA Collab site will allow web browser access to the syllabus, schedule, announcements, homework and project assignments. In addition, the instructor may post optional reading material or links to useful websites for research or to further clarify topics discussed in class.

(11) Evaluation Standards		<u>Points Possible</u>
Attendance	(5 pts/class)	65
Assigned Homework	(5 pts/chapter)	50
Audit Case Studies		90
Mid-term Exam		100
Final Exam		<u>100</u>
	TOTAL	405

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The examinations have a total weight of 50% in computing your final course grade. Class attendance and homework have a weight of approx. 30%, with the audit case study projects making up approx. 20%. Points earned will be totaled for all assignments, exams and attendance and converted to a percentage, by dividing points earned by 350 (total points possible). Grades will be determined based on the following percentages:

%	Grade	%	Grade
98-100	A+	81-83	B-
94-97	A	78-80	C+
91-93	A-	74-77	C
88-90	B+	71-73	C-
84-87	B	68-70	D+

(12) **Purpose Statement**

The central purpose of the University of Virginia is to enrich the mind by stimulating and sustaining a spirit of free inquiry directed to understanding the nature of the universe and the role of mankind in it. Activities designed to quicken, discipline, and enlarge the intellectual and creative capacities, as well as the aesthetic and ethical awareness of the members of the University and to record, preserve, and disseminate the results of intellectual discovery and creative endeavor serve this purpose. In fulfilling it, the University places the highest priority on achieving eminence as a center of higher learning.

(13) **Content and Discourse in Professional Education Courses**

Students are expected to discuss issues respectfully and to honor differing points of view. The University and its School of Continuing and Professional Studies do not discriminate in any of their programs, procedures, or practices against any person on the basis of age, citizenship, color, handicap, national origin, political affiliation, race, religion, sex, sexual orientation, or status as a disabled veteran or veteran of the Vietnam era. The University operates equal opportunity and affirmative action programs for faculty, staff, and students. The University of Virginia is an Equal Opportunity/Affirmative Action Employer. Any applicant for admission or employment, or any student who feels discriminated against should contact the University's Office of Equal Opportunity Programs (EOP).

(14) **University of Virginia Honor Code**

This course will strictly adhere to the University of Virginia Honor Code, included as Attachment B. Please read and be familiar with the code and how it applies to all your work as a student with the University of Virginia. In addition, the instructor will present examples of various Honor Codes and Codes of Ethics in use in the accounting profession. This will include the American Institute of Certified Public Accountants Code of Professional Conduct, as well as various ethics codes selected from business organizations. As the course proceeds, we will discuss various aspects of the Codes and how they impact the professional accountant. Aspects to be discussed unique to the accounting profession include integrity, objectivity, independence, and due professional care. All work should be pledged in the spirit of the Honor System of the University of Virginia. The instructor will indicate which assignments and activities are to be done individually and which permit

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collaboration. The following pledge should be written out and signed by the student at the end of all quizzes, examinations, individual assignments and papers:

“I pledge that I have neither given nor received help on this examination (quiz, assignment, etc.)”.

(15) **Special Needs**

It is the policy of the University of Virginia to accommodate students with disabilities in accordance with federal and state laws. Any SCPS student with a disability who needs accommodation (e.g., in arrangements for seating, extended time for examinations, or note-taking, etc.), should contact the Learning Needs and Evaluation Center (LNEC) and provide them with appropriate medical or psychological documentation of his/her condition. Once accommodations are approved, it is the student’s responsibility to follow up with the instructor about logistics and implementation of accommodations.

If students have difficulty accessing any part of the course materials or activities for this class, they should contact the instructor immediately. Accommodations for test-taking should be arranged at least 14 business days in advance of the date of the test(s). A student’s academic dean is also available to assist with accommodations, particularly for temporary or emergency situation. Please email: SCPSaccomodation@virginia.edu .

Students with disabilities are encouraged to contact the LNEC: 434-243-5180/Voice, 434-465-6579/Video Phone, 434-243-5188/Fax. Web: <http://www.virginia.edu/studenthealth/lneec.html>

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**ATTACHMENT A
COURSE SCHEDULE**

**ACCT 5250: ADVANCED AUDITING
Spring 2014**

<u>Session</u>	<u>Chapter(s)</u>	<u>Topics</u>
1/30	6	Audit Evidence Framework
2/6	7	Audit Planning
2/13	8	Specialized Audit Tools
2/20	8	Sampling I
2/27	8	Sampling II- CaseWare IDEA Audit Case Study
3/6	*	CaseWare IDEA Audit Case
3/13	Midterm Exam	(Chapters 6 thru 8)
3/20	9	Auditing the Revenue Cycle
3/27	10	Auditing Cash & Marketable Securities
4/3	11	Auditing Inventory, Acquisition and the Payment Cycle
4/10	12	Auditing Long-Lived Assets
4/17	13	Auditing Debt Obligations & Stockholder's Equity
4/24	16	Advanced Topics and Complex Auditing Judgments
5/1	17	Other Services Provided by Auditing Firms
5/8	Final Exam	(Chapters 9 thru 13, 16 & 17)

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ATTACHMENT B THE HONOR CODE at UVA

Founded in 1842, the Honor System is one of the University's most cherished institutions. Based on the principle that University students want to be trusted, the Honor System helps create and strengthen a school-wide community of trust. Students at the University make a commitment not to lie, cheat or steal within Charlottesville, Albemarle County, or where they represent themselves as University students in order to gain the trust of others. Because they have made this commitment, students are trusted by peers, faculty members, administrators, and community residents alike. Students conduct themselves with integrity and are presumed honorable until proven otherwise. Students are recruited and trained by the Honor Committee to serve as advisors and to provide counsel. Students investigate Honor allegations, assist and support accused students through the Honor process, and work with accused students in their defense at trial. Honor jury panels are similarly comprised entirely of students. While anyone may initiate Honor proceedings, the process is administered entirely by students. The vitality of the Honor System depends upon the willingness of students to uphold the high standards set by their peers. When a student is formally accused of an Honor offense following investigation, that student may elect to either (1) leave the University, without requesting a trial (in which case that student will be deemed to have admitted guilt, whether or not such an admission is expressly made), or (2) request an Honor trial. Any student found guilty of an Honor offense, or deemed to have admitted guilt after having left without requesting a trial, will be permanently dismissed from the University. The notation "enrollment discontinued" will be placed on the student's transcript, without specific reference to the Honor proceedings. In the case of a student found guilty of an Honor offense following graduation, or deemed to have admitted guilt without requesting a trial after graduation, the General Faculty of the University may undertake proceedings to revoke that student's degree. The rules of the Honor System apply to any person who was a University student at the time an alleged Honor offense was committed, so long as a case is initiated within two years thereafter. Students who enroll at the University benefit from the freedom and security provided by the Honor System; every student must agree to live by and support the spirit of honor.

For more information, visit the Honor Committee Web page: www.student.virginia.edu/~honor.