



Course number:	ACCT 6400, 70i	Instructor:	Jeff Barnes, MAcc, CPA
Course title:	Auditing II	Office:	Room BU 327, Business Building
Credit hours:	3 graduate semester hours	Telephone:	435-586-5406 (office) 435-590-5735 (personal cell)
Prerequisites:	Acceptance into the MAcc program		
Term:	Spring 2012 January 9 to May 3, 2012	Email:	<a href="mailto:Barnes@suu.edu">Barnes@suu.edu</a> (best way to contact)
Meeting time:	On-line	Home page:	Access via <a href="http://www.suu.edu">http://www.suu.edu</a>
Location:	Canvas: On-line	Office hours:	Posted on door and below

### COURSE DESCRIPTION

The student will learn about audit processes to the sale and collection cycle, payment, payroll, inventory, and acquisition and payment cycles. Also, the student will learn audit sampling and working paper preparation competencies.

### LEARNING OBJECTIVES

A listing of learning objectives and specific outcomes for this course appears below. To accomplish the objectives, this course is designed to promote “active learning” through group assignments, feedback, and performance on assignments, quizzes, and exams. Kaizen (continuous improvement) is expected. Complete the reading assignments and attempt the homework problems for each module before proceeding. You will demonstrate your understanding on papers, presentations, quizzes, and exams. Use the feedback from these experiences to improve your understanding of the topics in this course.

University core abilities	Outcomes/competencies	Assessment
1. Communication	Complete communication assignments	Performance on assignments
2. Quantitative literacy	Solve and discuss quantitative assignments	
3. Personal and Professional Responsibility	Complete at least one essay on an ethical issues	
4. Critical Thinking		
5. Diversity/appreciation for differences	Develop team skills by completing group assignments	
6. Lifelong learning	Use the internet to research and submit assignments	

<b>MAcc abilities</b>	<b>Objectives</b>	<b>Assessment</b>
1. Use quantitative analysis and information technology to support decision-making.	Complete audit or other quantitative assignments that effectively use Excel.	Performance on assignments
2. Effectively communicate information relevant to accounting.	Write a research paper that effectively describes an issue or concept relevant to accounting.	
3. Develop resolve to have moral courage in accounting.	Write an essay that describes the actions of a moral exemplar and the importance of moral courage in accounting.	
4. Prepare for a professional career in accounting	Achieve a score of at least 75% on a CPA test-preparation exam.	

<b>Course-specific objectives</b>	<b>Representative outcomes/competencies*</b>	<b>Assessment</b>
1. Obtain understanding of advanced audit terminology regarding audit sampling and substantive audit procedures testing	Demonstrate mastery of advanced audit terminology regarding audit sampling and substantive audit procedures testing	Performance on assignments
2. Use discrimination in determining which audit sampling method to employ	Demonstrate mastery of 7 various audit sampling methods and how to employ such	
3. Understand how to use and calculate an "accounting estimate"	Demonstrate how to use and calculate an accounting estimate for inventory estimation, allowed by AU 331	
4. Understand the difference between variables sampling techniques and attribute sampling techniques, and formal and informal documentation techniques	Demonstrate how to use both variables and attribute sampling techniques	
5. Understand how to properly employ PPS (Probability Proportionate to Size) sampling technique	Demonstrate how to use PPS	
6. Understand documentation requirements for the use of sampling methods, and formal and informal documentation techniques	Demonstrate documentation compliance requirements of AU350	
7. Learn to construct well-designed audit workpapers on appropriate technological platforms	Demonstrate workpaper design skills	
8. Learn to effectively communicate audit findings using appropriate audit terminology	Demonstrate effective communication and use of audit terminology during the performance of evidencing completion of audit procedures	
9. Understand clearly the linkage between significant management assertions of financial statement items, audit objectives, and thus the relevant audit procedures to be performed	Demonstrate capacity to create an audit program for any financial statement item	
10. Learn how to complete a financial statement audit and issue a full set of financial statements with an appropriate audit report	Demonstrate how to complete and audit, prepare all appropriate financial statements and required footnote disclosures, issued with the appropriate audit report	

\*See each chapter of the textbook for additional objectives.

## REQUIRED TEXTS

Guy, Carmichael, & Whittington, Audit Sampling, an Introduction, 5<sup>th</sup> Edition  
Publisher: Wiley, [www.wiley.com/college/guy](http://www.wiley.com/college/guy)  
(Required) ISBN 10: 0-417-37590-X

Arens, Elder, & Beasley. Auditing and Assurance Services: An Integrated Approach, 13<sup>th</sup> Edition,  
Publisher: Prentice Hall at <http://www.pearsonhighered.com/arens/>  
(Required) ISBN-10: 0-13-608473-7

Hacker, Diana, A Writer's Reference, Fifth Edition,  
Publisher: Bedford/St. Martin's [www.bedfordstmartins.com](http://www.bedfordstmartins.com)  
(Recommended) ISBN-10: 0-312-45025-7

## REQUIRED DISCLOSURES

**Disability statement.** "Students with medical, psychological, learning or other disabilities desiring academic adjustments, accommodations, or auxiliary aids will need to contact the Southern Utah University Coordinator of Services for Students with Disabilities (SSD), in Room 205C of the Sharwan Smith Center, or phone (435)865-8022. SSD determines eligibility for and authorizes the provision of services." (*Course Syllabus Policy 6.36, SUU*).



**Academic integrity statement.** "Scholastic dishonesty will not be tolerated and will be prosecuted to the fullest extent. You are expected to have read and understood the current issue of the student handbook (published by Student Services) regarding student responsibilities and rights, and the intellectual property policy, for information and procedures about what constitutes acceptable on-campus behavior." (*Course Syllabus Policy 6.36, SUU*). As expressed in University policy are stated in the General Catalog, academic dishonesty, includes cheating, forgery, plagiarism, and the use of work belonging to another.

**Changes to syllabus statement.** "Information contained in this syllabus, other than grading, late assignments, makeup work, and attendance policies, may be subject to change with advance notice, as deemed appropriate by the instructor." It is your responsibility to determine changes to the syllabus or assignments announced in your absence. (*Course Syllabus Policy 6.36, SUU*).

**Copyrighted material statement.** "HEOA (Higher Education Opportunity Act) Compliance statement: The sharing of copyrighted material through peer-to-peer(P2P) file sharing, except as provided under U.S. copyright law, is prohibited by law. Detailed information can be found at <http://www.suu.edu/it/p2p-student-noitce.html>" (*Course Syllabus Policy 6.36, SUU*).

## TECHNOLOGY

- This course will required your using the following application platforms:
- For a description of basic system requirements to use Canvas, refer to “System Requirements” from SUU’s Student Help Desk at <http://www.suu.edu/imic/> and then click the link “How do I . . .” button and then the “Canvas System Requirements” button under “Technical Support”.

Application or assignment	Software
Homework problems	Excel, professor uses Microsoft Office 2007 (.xls)
Research problems and writing assignments	Word, professor uses Microsoft Office 2007 (.doc)
To view PDF files posted in Canvas	Adobe Acrobat at <a href="http://www.abobe.com">http://www.abobe.com</a> (.pdf)
Communications with professor	Via email and email attachments for all assignments, essays

**Canvas.** The Canvas platforms (Canvas), and forums therein, are used for both the on-campus and online courses. Access to the Canvas forums are linked on the SUU’s website. Use the **same username and password** that you use to access the SUU campus network, as an enrolled student. Selected forums of Canvas and their purpose in this course are listed below. The quizzes and exams are to be completed by the student, without assistance from any other source, on Canvas. Please become familiar with these features ASAP. You can reach the Canvas login with the following link:

<http://www.suu.edu/imic/> and then click the link “How do I . . .” button under “Technical Support”

Canvas Forums	Purposes
Announcements	Use this forum to read the professor communications to the whole class. This is a very important course tool! The professor is on it virtually every day!
Assignments	A chronological listing of homework, quizzes, exam, etc that need to be completed. These items typically have points assigned to them and are also found in the learning module and syllabus.
People	This provides a list of students and professor information.
Syllabus	This provides access to assignments, quizzes, and exam calendaring information. Please see the course’s “classic” syllabus in the Orientation Module.
Orientation Module	This first module has important items for the course: <ul style="list-style-type: none"> <li>• Classic syllabus (.pdf format)</li> <li>• First day memo</li> <li>• Asynchronous Teaching Philosophy Essay</li> <li>• Professor biographical sketch</li> <li>• Team Information</li> <li>• Ethics Assignments</li> <li>• Writing Guidelines</li> <li>• Audit Reports</li> </ul>



## GRADING

### COURSE GRADING SCALE

0-60%	61-63%	64-66%	67-69%	70-73%	74-76%	77-79%	80-83%	84-86%	87-89%	90-93%	94-100%
F	D-	D	D+	C-	C	C+	B-	B	B+	A-	A

	Writing Assignments	Individual and Team Homework	Quizzes	Exams	Total
Maximum	10%	20%	15%	55%	100%

**Viewing Student Grades and Progress.** The student is able to view his or her progress throughout the term by accessing the course grade sheet on the Canvas system. The student is able to click a link that will communicate their current grade to date!

**Module Weekly Daily Schedule.** The course term is divided into weekly modules. Each module begins on a Monday and ends on following Monday, at 6:00 am, regardless of holidays. Understanding the time deadline is important for Canvas assignments and assessments. Each module may contain assignments, quizzes, exams, case assignments to complete. The individual and team homework assignments are to be completed by that Module’s Friday midnight deadline. Any quizzes or exams, assigned in a Module, are to be completed by that Module’s Monday, by 6:00 am.

**Attendance in Online Courses.** An SUU eLearner student must exhibit consistency in performing course module assignments. The student must be in constant contact with the Professor through email assignment attachments. Any eLearner failing to stay current with weekly assignment postings stands in jeopardy of falling behind and receiving a reduced grade.

**Plagiarism.** All assignments that require a written response must be in your own words. Plagiarism may result in a failing grade for the course, or worse if it is a second offense. Plagiarism includes “(1) failing to cite quotations and borrowed ideas, (2) failing to enclose borrowed language in quotation marks, and (3) failing to put assignments and paraphrases in your own words” (Hacker 2003, p. 383). As a control against plagiarism, your written assignments will be submitted to Turnitin, a system that identifies papers containing unoriginal material.

**Homework.** Homework consists of assigned problems at the end of each chapter in the textbook. Prepare all of your homework solutions with Excel. To receive credit, each solution must be your own work, not the work of another person, and each quantitative problem must be prepared using Excel’s formula functions to compute the answers. For example, total should use Excel’s addition or summation functions. My spreadsheet solutions are provided in Canvas, when appropriate. You may use my solutions to help you understand the material, and feel free to change your solutions if they are not correct, but you should not copy my answers or templates into your own spreadsheet. Put each set of homework in a single spreadsheet file. Send each homework assignment to the professor as a separate email attachment. Late homework will receive half points.

When sending homework to the professor, via email attachment, always refer to the home by chapter and problem number. For example, “ACCT 6400, Student Name, Chapter 1, P4”; ACCT 6400, Student Name, Chapter 4, P5 (Team)”; or “ACCT 6400, Student Name, Ethics Essay #1”. Please **do not** refer to the Canvas Module numbers.



**Essays.** Prepare two one-page essays on the two ethics assignments found in the “Orientation Module” on the homepage of the Canvas course (found under the “Welcome: Start Here” button. Therein, you will find an “Ethics Assignments” folder. In this folder is an ethics lecture, you are to read and the ethics essay questions. Complete the ethics essay writing assignments for the First Essay and the Second Essay when assigned, per the syllabus.

**Tests.** All tests are performed on the Canvas platform. Tests include quizzes on most chapters, exams over groupings of chapters, and a comprehensive final exam. The tests are open-book and individual effort. The professor will provide feedback on the more commonly missed questions for all quizzes and exams.

**Electronic Access to Auditing Standards**

The RIA Checkpoint Library is available to students to assist in the learning of auditing standard. The RIA Checkpoint Library can be accessed from the SUU Library:

**SUU Library homepage,** <http://www.li.suu.edu>

Select **Find Articles**

Select **Business** under Databases by Subject

Select **RIA Checkpoint**

**For student FASB Academic Access:**

Username: AAA52317

Password: SHajbj6

At <http://aaahq.org/FASB/Access.cfm>

Contacting the professor is through the following means:

1. Email: [barnes@suu.edu](mailto:barnes@suu.edu), or
2. Phone: 435-586-5406 at the above posted office hours.
3. Phone: 435-590-5735 (personal cell) for emergencies.

Spring Semester, January 9 to May 3, 2012						
Time	Course	Monday	Tuesday	Wednesday	Thursday	Friday
8:00	ACCT 2010	BU 208		BU 208		BU 208
9:00		Office		Office		Office
10:00						
11:00						
12:00	ACCT 3400	BU 102		BU 102		BU 102
1:00		Lunch	Lunch	Lunch	Lunch	Lunch
2:00		Office		Office		Office
3:00	ACCT 4200	BU 207		BU 207		BU 207
4:00						
5:00						
6:00						

Online courses: ACCT 6400 70i, Audit II



## COMMUNICATIONS FORMATS

### MEMORANDUM

**TO:** Professor Jeff Barnes, ACCT 6400  
**FROM:** Jane Student  
**DATE:** January 15, 20XX  
**RE:** Ethics

Ethics should be of great concern for both business owners and employees. Business ethics can be viewed from the following ethical perspectives: ethical conduct between owners and employees, ethical conduct between owners and vendors. . .

### Double-spaced memorandum

### E MAIL ATTACHMENT "SUBJECT-LINE" LABEL

Please include the following three elements in all your email correspondences with the professor. The three email "subject item" elements, separated by commas, are:

(1) Course; (2) Student Name; (3) Homework Assignment

(e.g., ACCT 6400 01 or ACCT 6400 70i, Jane Doe, Ethics Essay #1)

### E-mail attachments format

The email subject-line label is critical for sorting the hundreds of emails I received on a daily basis. So please do not forget the accurate use of the above example. Experience has demonstrated that *students sometimes forget the order and spacing (↓) of the elements*. Additionally, students also sometimes forget to indicate their online learner status with "70i" designation.

## 1<sup>st</sup> Module, Jan 9

Assignments	Topics or Items	Instructions
1. Orientation	Syllabus Review	Audit Sampling, by Guy, Carmichael, & Whittington In Appendix
2. Readings	Introduction Overview of Audit Sampling	Review whole syllabus Become familiar with both texts AU 350, in Appendix
3. Assignments		Submit Biographical Sketch Team Charter

## 2<sup>nd</sup> Module, Jan 16

Assignments	Topics or Items	Instructions
1. Orientation	Syllabus Review AU 350.01-.24	Audit Sampling, by Guy, Carmichael, & Whittington In Appendix
2. Readings	Introduction Overview of Audit Sampling	Read Chapter 1&2 Handouts
3. Assignments		All review and MC questions for Chapters 1 & 2 <b>Case 1-1</b>
4. Quizzes (ASQC1, ASQC2)	Chapter 1 Chapter 2	Canvas Assessment
January 16	Holiday	Martin Luther King Recess

## 3<sup>rd</sup> Module, Jan 23

Assignments	Topics or Items	Instructions
1. Orientation	Syllabus Review AU 350.25-.47	Audit Sampling, by Guy, Carmichael, & Whittington In Appendix
2. Readings	Attribute Sampling	Read Chapter 3
3. Assignments		All review and MC questions Ethics Essay #1
4. Quiz (ASQC3)	Chapter 3	Canvas Assessment
4. Holiday	Labor Day Recess	No class on Sept. 5

## 4<sup>th</sup> Module, Jan 30

Assignments	Topics or Items	Instructions
1. Orientation	Syllabus Review	Audit Sampling, by Guy, Carmichael, & Whittington
2. Readings	Using Variable Sampling for Accounting Estimation	Read Chapter 4
3. Assignments		<b>Working Paper Documentation Techniques</b> “Explain Appropriateness of Using an Inventory Accounting Estimate” All review and MC questions.
4. Quiz (ASQC4)	Chapter 4	Canvas Assessment

## 5<sup>th</sup> Module, Feb 6

Assignments	Topics or Items	Instructions
1. Orientation	Syllabus Review	Audit Sampling, by Guy, Carmichael, & Whittington
2. Readings	Using Variable Sampling for Accounting Estimation	Read Chapter 4
3. Assignments		<b>Case 4-1 (written)</b>

## 6<sup>th</sup> Module, Feb 13

Assignments	Topics or Items	Instructions
1. Orientation	Syllabus Review	Audit Sampling, by Guy, Carmichael, & Whittington
2. Readings	Hypothesis Testing	Read Chapter 5 <b>Working Paper Documentation Techniques</b>
3. Assignments		All review and MC questions

## 7<sup>th</sup> Module, Feb 20

Assignments	Topics or Items	Instructions
1. Orientation	Syllabus Review	Audit Sampling, by Guy, Carmichael, & Whittington
2. Readings	Hypothesis Testing	Read Chapter 5 <b>Working Paper Documentation Techniques</b>
3. Assignments		<b>Case 5-4 (written)</b>
4. Quiz (ASQC5)	Chapter 5	Canvas Assessment
February 20	Holiday	Presidents' Day Recess

## 8<sup>th</sup> Module, Feb 27

Assignments	Topics or Items	Instructions
1. Orientation	Syllabus Review	Audit Sampling, by Guy, Carmichael, & Whittington
2. Readings	Difference Estimation	Read Chapter 6 "Why PPS Sampling Technique is Widely Used in Industry"
3. Assignments		All review and MC questions <b>Case 6-1 (written)</b>
4. Quiz (ASQC6)	Chapter 6	Canvas Assessment

## 9<sup>th</sup> Module, Mar 5

Assignments	Topics or Items	Instructions
1. Orientation	Syllabus Review	Audit Sampling, by Guy, Carmichael, & Whittington
2. Readings	Difference Estimation	Read Chapter 7
3. Assignments		All questions <b>Case 7-1 (written)</b>
4. Exam (Exam 1)	CPA Exam Questions	Canvas Assessment

## Spring Break, Mar 12

Assignments	Topics or Items	Instructions
Mar 12 to Mar 16	Holiday	Spring Break

## 10<sup>th</sup> Module, Mar 19

Assignments	Topics or Items	Instructions
1. Orientation	Syllabus Review	Auditing and Assurance Services, by Arens, Elder, & Beasley
2. Readings	Audit of Payroll and Personnel Cycle	Read Chapter 20 Ethics Essay #2
3. Assignments	Discussion Question and Problem Section	DQP 19, 20, 21, and 22
4. Quiz (QC20)	CPA Exam Questions	Canvas Assessment

## 11<sup>th</sup> Module, Mar 26

Assignments	Topics or Items	Instructions
1. Orientation	Syllabus Review	Auditing and Assurance Services, by Arens, Elder, & Beasley
2. Readings	Audit of the Acquisition Cycle: Test of Controls, Substantive Tests of Transactions, and Accounts Payable	Read Chapter 18
3. Assignments	Discussion Question and Problem Section	DQP 20, 21, 22, and 23
4. Quiz (QC18)	CPA Exam Questions	Canvas Assessment

## 12<sup>th</sup> Module, Apr 2

Assignments	Topics or Items	Instructions
1. Orientation	Syllabus Review	Auditing and Assurance Services, by Arens, Elder, & Beasley
2. Readings	Completing the Tests in the Acquisition and Payment Cycle: Verification of Selected Accounts	Read Chapter 19
3. Assignments	Discussion Question and Problem Section	DQP 21, 22, 23, 24
4. Quiz (QC19)	CPA Exam Questions	Canvas Assessment
5. Exam (Exam2)	Chapters 18, 19, 20	Canvas Assessment

## 13<sup>th</sup> Module, Apr 9

Assignments	Topics or Items	Instructions
1. Orientation	Syllabus Review	Auditing and Assurance Services, by Arens, Elder, & Beasley
2. Readings	Audit of the Inventory and Warehousing Cycle	Read Chapter 21
3. Assignments	Discussion Question and Problem Section	DQP 27, 30, 31

## 14<sup>th</sup> Module, Apr 16

Assignments	Topics or Items	Instructions
1. Orientation	Syllabus Review	Auditing and Assurance Services, by Arens, Elder, & Beasley
2. Readings	Audit of Capital Acquisition and Repayment Cycle	Read Chapter 21
3. Assignments	Discussion Question and Problem Section	
4. Quiz (QC21)	CPA Exam Questions	Canvas Assessment

## 15<sup>th</sup> Module, Apr 23

Assignments	Topics or Items	Instructions
1. Orientation	Syllabus Review	Auditing and Assurance Services, by Arens, Elder, & Beasley
2. Readings	Audit of Capital Acquisition and Repayment Cycle	Read Chapter 22
3. Assignments	Discussion Question and Problem Section	DQP 26, 28, 31
5. Quiz (QC22)	Quiz Chapter 22	
April 27	Study Day	Prepare for finals

## 16<sup>th</sup> Module, Apr 30

Assignments	Topics or Items	Instructions
1. Review	Chapters 18-22	Review CPA Examination Flowcharts problems for all cycles (CPA Exam Examples!)
2. Final Exam	All Chapters—Comprehensive	Canvas Assessment