Course Syllabus

ACCT 6241/4241 - ADVANCED AUDITING
3.0 Credit Hours
Fall 2016
3.0 Credit Hours
TR 5:30-6:55 pm
FCB 360

Instructor: Professor Zabihollah (Zabi) Rezaee, PhD, CPA, CMA, CIA, CFE, CGFM, CSOXP, CGOVP, CGRCP, CGMA, CRMA
Thompson-Hill Chair of Excellence, Professor of Accountancy and former member of the Standing Advisory Group of the PCAOB

Office Location: 216 Fogelman Administration Building
Office Hours: TR 3:00-5:00 pm and by appointment
Telephone: 901-678-4652
E-mail: zrezaee@memphis.edu
Webpage: https://umpeople.memphis.edu/zrezaee

COURSE OBJECTIVE:
This course is designed as a discussion-based seminar and case analysis to provide graduate students with an understanding of auditing theory, practice, and research methods. The objective of this course is to advance your knowledge in contemporary issues in auditing and improve your ability to assess and conduct auditing research and case analyses. This course continues from Auditing I by implementing the auditing principles, standards, procedures, and practices that you learned in the first course and applying them in case analysis. Topics include integrated auditing of financial statements and internal controls; continuous auditing; assurance services on non-financial information; auditing of computer-based systems; emphasis on auditing software and computer auditing techniques used to evaluate accounting systems controls and test accounting data integrity; forensic accounting; and the nature and use of expert systems in accounting with
emphasize on their use as an audit tool. Cases will be assigned to test your knowledge of the
advanced auditing materials.

Specifically, the purposes of the course are to:

• Prepare competent and ethical future accountants.
• Develop an understanding of auditing principles, standards, procedures, and practices.
• Discuss roles and responsibilities of auditors in the financial reporting process.
• Develop an understanding of moral principles, ethical standards, and corporate code of
business ethics.
• Understand the role of auditors in the free enterprise system and capital markets.
• Introduce students to the theoretical foundations of auditing and the auditing profession.
• Develop the technical skills necessary to assess audit risk and evaluate the financial reporting
quality and effectiveness of internal control from the perspective of an investor or potential
investor in the company.
• Learn the fundamentals, various models, and mechanisms of auditing.
• Introduce integrated reporting, sustainability reporting, and assurance.
• Introduce forensic accounting, including financial reporting and fraud auditing.
• Introduce research in accounting and auditing.
• Discuss emerging issues in financial reporting, auditing, and corporate governance.
• Use computerized audit techniques and tools (CAATs) including ACL in auditing.

TEXTBOOKS:

There will be no textbooks for this course. We will use a variety of handouts and case materials
that you will find on the eCourseware website. The course will be structured as indicated by the
sequence of modules in the assignment schedule. Several readings are assigned for each module.
You will be expected to read all the materials related to each module and have them with you in
class. If you have any questions or problems opening the files, please contact me as soon as
possible.

Fogelman College: Learning Outcomes for Your Degree

This course is designed to help you to meet the overall learning objectives for the BBA degree
offered by the Fogelman College. You should take the time to become familiar with the overall
learning objectives as a student in the MS/BBA program in accounting:

http://www.fcbeassessment.net/LearningOutcomes/BBADegreeAccountancyLearningOutcomes.pdf

http://www.fcbeassessment.net/LearningOutcomes/MSAccountancyLearningOutcomes.pdf

CLASS ATTENDANCE:
Daily attendance may not be taken. However, the instructor strongly recommends regular attendance since class presentations will clarify and add to assigned readings. Students will be held responsible for all information covered in class, particularly since there is no required textbook for this course. Nonattendance is at the student’s own risk! Because of the nature of this class, it is important that you attend class diligently and roll may be taken during the semester. Class participation points include attendance, since you can’t participate if you’re not there. In the event you do miss a class, the following rules will apply without exception:

1. If you must miss a class, you must notify me either by telephone, voice mail, or by e-mail IN ADVANCE of the class you will miss. See below for class policy on late assignments.

2. IMPORTANT: The final exam must be taken on the scheduled date and time and cannot be taken early. NO EXCEPTIONS WILL BE MADE.

3. Missed in-class work: Some assignments are designed to be completed in class, either individually or in groups. Any such work missed because of a missed class may not be made up.

4. Late assignments will not be accepted.

All students are required to maintain and access their University of Memphis (@memphis.edu) email account. You will receive all official course correspondence at this email account. Any inability to receive incoming mail in a timely fashion (e.g., not regularly checking your email, having a “full mailbox” condition, etc.) is the student’s responsibility to fix.

ACADEMIC INTEGRITY:

The University of Memphis has clear codes regarding cheating and classroom misconduct. If interested, you may refer to the Student Handbook section on academic misconduct for a discussion of these codes. Note that using a “Solutions Manual” is considered cheating. Should your professor have evidence that use of a “Solutions Manual” has occurred, he/she may take steps as described on the campus’ Office of Student Conduct website. If you have any questions about academic integrity or plagiarism, you are strongly encouraged to review the Fogelman College's Website on Academic Integrity.

Expectations for academic integrity and student conduct are described in detail on the website of the Office of Student Judicial and Ethical Affairs (http://saweb.memphis.edu/judicialaffairs). Please take a look, in particular, at the sections about "Academic Dishonesty" and "Student Code of Conduct and Responsibilities." I expect students to be aware of these guidelines and to conduct themselves accordingly. In this class, it is assumed that you will be working with your groups. However, you are expected to work only with those groups. If this is found to be false, all parties involved will receive a zero.

ADD/DROP POLICY:

It is the STUDENT’S RESPONSIBILITY to comply with the University of Memphis regulations for course changes, withdrawals, etc. If you have questions about adding or dropping classes, please refer to this page on the Registrar’s website.
AMERICANS WITH DISABILITIES ACT (ADA):
If you have a disability, as defined by the ADA, that might impair your performance in this course, please inform me during the first week of class.

BASIS FOR STUDENT EVALUATION:

Class participation  5%
Term paper  15%
Individual case analysis  20%
Write-ups on Cases  10%
Group case analysis  20%
Midterm Exam  15%
Final Exam  15%

Final course grades are earned according to the following table:

<table>
<thead>
<tr>
<th>Point Range</th>
<th>Assigned Grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>92-100 Points</td>
<td>A</td>
</tr>
<tr>
<td>84-91 Points</td>
<td>B</td>
</tr>
<tr>
<td>75-83 Points</td>
<td>C</td>
</tr>
<tr>
<td>65-74 Points</td>
<td>D</td>
</tr>
<tr>
<td>Under 65 Points</td>
<td>F</td>
</tr>
</tbody>
</table>

CLASS PARTICIPATION/PROTOCOl:
Your participation in classroom discussions is essential for a stimulating exchange of ideas and a significant learning experience. The extent and quality of your participation should reflect the extent and quality of your preparation, so your participation will have an important influence on your course grade. Be prepared for each class.

Class participation will be assessed in several ways. First, there will be peer monitoring of verbal comments in class. I will also monitor verbal participation. From time to time, we will have written assignments that are part of the class participation grade. These written assignments may involve case discussions. Attendance counts in the class participation grade. Effective participation means arriving on time, being fully engaged, no use of laptops, no cell phone interruptions, and expectations of being asked to participate at any time.
This class is run using the protocol of a board meeting. This means full respect for others’ input while still challenging them in a professional, collegial, and congenial manner. This also means that if you have the floor, you are concise, present new or compelling material, and back up your position with facts, rules, regulations, standards, and best practices instead of simply opinions.

READING ASSIGNMENTS:
The course will be structured as indicated by the sequence of modules in the assignment schedule. Several readings are assigned for each module. There is no extra credit offered in this course. Your final grade will be computed based on your work on the formal/assessed activities previously described in this syllabus.

TERM PAPER:
The term paper gives the student the opportunity to get deeply involved in a single topic, something that is not usually accomplished in most courses. The paper should be the culmination of research from several sources (at least eight journal articles).

The term paper should be properly footnoted and end with a bibliography. Each paper will receive a grade based on the general quality of the work, including neatness, legibility, effort, originality, practicality, organization, readability, transitions, transparency, research integrity, and completeness. Any term paper topic is acceptable, provided that it pertains to the subject matter of this course and is approved by the professor. The paper should be approximately 18-20 (12-15) pages (excluding references) in a typed format and double spaced for graduate (undergraduate) students.

INDIVIDUAL/GROUP CASE ANALYSIS AND PRESENTATION
Each student will choose a case study at the beginning of the semester and is required to do an individual presentation as the semester progresses. There should be no overlap of topics. Other students are expected to discuss the case after the presentation and write a one page synopsis of presented cases to be submitted by the next class meeting. Participation points will be given.

The class will be divided into four teams, each responsible for a group project topic. Each group will submit a copy of the write up and presentation materials (e.g., Power Point slides, attachments).

EXAMS:
The exams will be short-answer and discussion. They may include factual and conceptual questions plus short case discussions. Questions will be from materials presented by me and questions submitted by groups. The final exam for this class will be scheduled according to the Registrar’s academic calendar website.
HOW TO STUDY

Students often ask “how to study” for this course to make a good grade. The following tips, as well as resources, can help you “ace” this course.

How to Ace Your Accounting Classes

1. Know what the professor expects.
2. Be your own teacher.
3. Work hard from the first day.
4. Attend every class.
5. Take good notes.
6. Participate in class.
7. Read the textbook several times.
8. Look for patterns.
9. Do the homework.
10. Study with a friend.
11. Study long and hard for each exam.
12. Live healthfully.

Taken from the following website: http://profalbrecht.wordpress.com/2008/12/30/ace-your-accounting-classes-12-hints-to-maximize-your-potential/.

Online Resources

Howtostudy.org: http://www.howtostudy.org/
Keys to effective study: http://www.adprima.com/studyout.htm

TENTATIVE CLASS SCHEDULE:

NOTE: This syllabus is tentative in nature and will be revised during the semester at the discretion of the instructor. The instructor reserves the right to make changes as necessary to this syllabus. If changes are necessitated during the term of the course, the instructor will immediately notify students of such changes both by individual email communication and posting both notification and nature of change(s) on the course bulletin board.
## Module Assignment Schedule

**ACCT 6241/4241**  
**ADVANCED AUDITING**  
**MODULE ASSIGNMENT SCHEDULE**  
**FALL 2016**  
**Z. REZAEE**

<table>
<thead>
<tr>
<th>Date</th>
<th>Module</th>
<th>Suggested Readings</th>
<th>Cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>8/23</td>
<td><strong>Introduction</strong></td>
<td>Module 1 readings</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Module 1</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Role of Auditors in our Society</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8/25</td>
<td><strong>Module 1</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Audit Reports</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9/1</td>
<td><strong>Module 1</strong></td>
<td>Module 1 readings</td>
<td></td>
</tr>
<tr>
<td>9/6</td>
<td><strong>Module 2</strong></td>
<td>Module 2 readings</td>
<td>Case 1 presentation</td>
</tr>
<tr>
<td></td>
<td>Integrated Audit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9/8</td>
<td><strong>Module 3</strong></td>
<td>Module 3 readings</td>
<td>Case 2 presentation</td>
</tr>
<tr>
<td></td>
<td>Auditing Professionalism and Professional Ethics</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9/13</td>
<td><strong>Module 3</strong></td>
<td></td>
<td>Case 3 presentation</td>
</tr>
<tr>
<td></td>
<td>Auditing Professionalism and Professional Ethics</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Date</td>
<td>Module Description</td>
<td>Material/Activities</td>
<td></td>
</tr>
<tr>
<td>-------</td>
<td>---------------------------------------------</td>
<td>------------------------------------------</td>
<td></td>
</tr>
</tbody>
</table>
| 9/15  | **Module 4**  
Audit Committee and Corporate Governance | Module 4 readings                        |
| 9/20  | **Module 4**  
Audit Committee and Corporate Governance |                                          |
|       | Case 4 presentation                        |                                          |
| 9/22  | **Module 5**  
Audit Quality | Module 5 readings                        |
| 9/27  | **Module 5**  
Audit Quality |                                          |
|       | Case 5 presentation                        |                                          |
| 9/29  | **Module 6**  
Auditor Independence | Module 6 readings                        |
|       | Case 6 presentation                        |                                          |
| 10/4  | **Module 7**  
Audit Risk | Module 7 readings                        |
| 10/6  | **Module 7**  
Audit Risk | Case 7 presentation  
Group Project – Sampling  
Group Project - Attestation & Assurances |
| 10/11 | Fall Break | No Class                                 |
| 10/18 | **Mid-term Exam**                          | Modules 1-7                              |
| 10/20 | **Module 8**  
Attestation and Assurances | Module 8 readings                        |
<p>|       | Case 8 presentation                        |                                          |</p>
<table>
<thead>
<tr>
<th>Date</th>
<th>Module</th>
<th>Readings</th>
<th>Presentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>10/25</td>
<td>Module 8 Attestation and Assurances</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10/27</td>
<td>Module 9 Audit Planning Procedures</td>
<td>Module 9 readings</td>
<td>Case 9 presentation</td>
</tr>
<tr>
<td>11/1</td>
<td>Module 9 Audit Planning Procedures</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11/3</td>
<td>Module 10 Audit Sampling</td>
<td>Module 10 readings</td>
<td>Case 10 presentation</td>
</tr>
<tr>
<td>11/8</td>
<td>Module 10 Audit Sampling</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11/3</td>
<td>Module 11 Continuous Auditing</td>
<td>Module 11 readings</td>
<td>Case 11 presentation</td>
</tr>
<tr>
<td>11/8</td>
<td>Module 11 Continuous Auditing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11/10</td>
<td>Module 12 Internal Auditing</td>
<td>Module 12 readings</td>
<td>Case 12 presentation</td>
</tr>
<tr>
<td>11/15</td>
<td>Module 12 Internal Auditing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11/17</td>
<td>Module 13 Forensic Accounting</td>
<td>Module 13 readings</td>
<td>Case 13 presentation</td>
</tr>
<tr>
<td>Date</td>
<td>Module/Activity</td>
<td>Description</td>
<td></td>
</tr>
<tr>
<td>--------</td>
<td>----------------------------------</td>
<td>----------------------------------</td>
<td></td>
</tr>
<tr>
<td>11/22</td>
<td><strong>Module 13</strong>&lt;br&gt;Forensic Accounting</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11/24</td>
<td>Thanksgiving Break</td>
<td>No Class</td>
<td></td>
</tr>
<tr>
<td>11/29</td>
<td><strong>Module 14</strong>&lt;br&gt;Completing the Audit</td>
<td>Module 14 readings</td>
<td>Case 14 presentation</td>
</tr>
<tr>
<td>12/2</td>
<td><strong>Module 14</strong>&lt;br&gt;Completing the Audit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12/6-12/8</td>
<td>Term Paper</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12/8</td>
<td>Final Exams</td>
<td>Modules 8-14</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Group Project - ACL</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Group Project - Tallahassee</td>
<td></td>
</tr>
</tbody>
</table>