

ACC 383K.1 - Standards in Auditing
Spring 2019 (02645 and 02650)
Course Syllabus

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Office	CBA 3.206
Office Hours	F 8:00 – 11:00 or by appointment
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Course Web Page	via Canvas
Class Time:	TU 12 noon – 3 p.m. (02645) (Class begins March 26th – Both sections) TU 5 p.m. – 8 p.m. (02650)
Class Location:	GSB 2.120
Teaching Assistant:	Kimberly Young
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Course Philosophy, Objectives, and Overview:

This is a *second* course in assurance services (graduate-level) that assumes basic knowledge from the first course and addresses contemporary professional issues. Some topics will be technical “nuts and bolts” requirements or application of professional standards. Other topics will address emerging issues of the second decade of the 21st century. The readings include key professional standards of the PCAOB, ASB and IAASB, SEC guidance, scholarly papers, and many articles from the current financial press.

The course covers the following major topics: assurance services and standards, independence and professional ethics, enforcement & oversight of auditors, liability and viability of the profession, and specific professional practice challenges such as auditing estimates and group or multi-location audits. Combined, these topics will help you understand how the profession has evolved and help you be a successful auditor.

Two important things have changed since the fall semester. First, many of you have experienced some of the conflicts and complexities of professional practice during your internship. Second, many of you have started the MPA graduate phase of your education and, to deal with professional complexities and conflicts, you must now take more responsibility for your own education. This course relates to both.

The primary objective of this course is to understand the structure, institutions, operation, mechanics, and risks of the auditing profession as a demand-driven value-adding endeavor and to evaluate its standards and

regulatory environments. Each lesson is set up as a presentation of a professional problem(s) and alternatives to address the problem(s).

The course demands synthesis and integration of many different topics. Through class discussions, cases, assignments, and role-playing we will integrate ideas from the assigned readings. Each class will usually begin with a structured presentation and interactive class discussion. This will be followed with a hands-on activity and (sometimes) a quiz.

On most days approximately ten discussion questions will be provided (and available on Canvas) to help structure our daily discussions. You should come to class prepared to respond to these questions and actively participate. The class is intended to be interactive because many current auditing issues are not straightforward and require synthesis of many differing views. A non-trivial portion of your grade will be determined by your class participation. This is not to scare you but to make the class more rewarding and productive for all of us.

Discussions will be facilitated by cases and class activities. Some cases are conducted entirely within a class session and in groups of three students. A few cases are conducted as individuals outside of class and involve media such as government documents, PCAOB documents, and electronic databases such as *Audit Analytics*.

For both the discussion questions and the cases, I will ask for volunteers to respond or cold-call on particular students. Our objectives include enhanced learning and improved real-time responses to professional questions – you will thank me someday.

We may have some daily quizzes to keep everyone on track but are certain to have one Friday mid-day mid-term examination and one comprehensive final examination to be held during the finals examination week. Please be certain that you clear your calendar for both examinations. The examinations will be in a structured format (e.g., short answer, multiple choice, or fill-in-the-blank) rather than an open essay.

Due to the dynamic nature of the profession, the course schedule is tentative and subject to change. If it does change, you will be notified.

Finally, I ask you to sit in the same seat for each class period. The seating chart will be finalized on the first day of class. This is primarily to help me learn your names because I care very much about each and every one of you.

Readings, Preparation, and Assignments:

Our readings will form the primary basis for discussions and are central to our exams. There is no textbook—all readings will be available at no charge on **Canvas**. Readings for most sessions are less than 30 pages in total (not counting professional standards) and most are short articles that capture the essence of a complex issue.

To prepare for class: I suggest that you set aside a fixed block of time for reading *all* of the assignments—and then manage your time so that you get the *main idea* or thrust of each reading. What is being said, who is

saying it, and what might be their motivation? You should quickly scan *all* readings for the essentials – trying to get 80% of the ideas in 15% of the time required. You can come back later to read the details – after you know which ideas and concepts are most important.

Primary readings that provide background will be available at least one week prior to class, but current developments that will be discussed in class may not be available until twenty-four hours before class—because some of our readings have not yet been written. In addition, use of a search engine such as Google will be essential for some assignments.

Attendance:

Because each class period comprises one week of a typical semester length class and because of the interactive nature of our lessons, class attendance is especially important. Absences may be excused **only** if you **notify me prior to class** (emergencies excepted). Again, due to the nature of our course, participation during class is also important if you want full credit for your attendance.

Our class periods are 150 minutes each. For most class days, we will have approximately 75 minutes of presentation, questions, and background discussion followed by a break, in-class activity or case discussion, and specific follow up discussions. Again, I expect you to be **on time** and to **participate** in class discussions.

Tentative Course Requirements, Grading, and Missed assignments:

Your grade in the course will be determined as follows:

	Points
Mid-term / In-Class Quizzes	120
Comprehensive Final Examination	120
In-Class Contribution to Group Discussion and Discussion Questions	<u>120</u>
Total:	<u>360</u>

Plus/Minus grading applies to this course.

In-class quizzes and the mid-term should help you keep up with the material and aid your preparation for the final examination. The in-class contribution points are obtained through active participation in class discussion of assigned questions, presentation of course material to the class, and acting professionally including respect of your classmate's opinions.

Missed assignments due to a medical or personal emergency will be accepted late or excused. For such instances, you should provide supporting documents through Student Emergency Services. Other missed or late assignments **will not** be accepted.

Academic Dishonesty:

The McCombs School of Business has no tolerance for acts of scholastic dishonesty. Such acts damage the reputation of the school and the degree and demean the honest efforts of the majority of students. The responsibilities of both students and faculty with regard to scholastic dishonesty are described in detail in the BBA Program's Statement on Scholastic Dishonesty at <http://www.mcombs.utexas.edu/BBA/Code-of-Ethics.aspx>.

By teaching this course, I have agreed to observe the faculty responsibilities described in that document. By enrolling in this class, you have agreed to observe the student responsibilities described in that document. If the application of that Policy Statement to this class and its assignments is unclear in any way, it is your responsibility to ask me for clarification. Students who violate University rules on scholastic dishonesty are subject to disciplinary penalties, including the possibility of failure in the course and/or dismissal from the University. Since dishonesty harms the individual, all students, and the integrity of the University, policies on scholastic dishonesty will be strictly enforced. You should refer to the Student Judicial Services website at <http://deanofstudents.utexas.edu/sjs/> or the General Information Catalog to access the official University policies and procedures on scholastic dishonesty as well as further elaboration on what constitutes scholastic dishonesty.

As specific guidance for this course, you should consider the *writing* of all examinations to be an individual effort. Group preparation for examinations is acceptable. Homework assignments are to be turned in individually but I encourage you to work together in answering the questions. You should, however, develop your own answer and not cut and paste the work of others.

Classroom Professionalism Policy:

This class embraces the BBA Community Values which are:

- **Lead with integrity, improve the world**
- **Respect our differences, leverage our diversity**
- **Challenge old ideas, inspire innovation**
- **Dream big, work hard, never give up**

The highest professional standards are expected of all members of this classroom. The MPA classroom experience is enhanced when:

- Students arrive on time.
- Students minimize unscheduled personal breaks.
- Students are fully prepared for each class.
- Students respect the views and opinions of their colleagues.
- Laptops are closed and put away.
- Phones and wireless devices are turned off.

To facilitate fairness to all students, cell phones, programmable calculators, and other electronic devices will not be permitted during the mid-term or final examination. Use of either may result in a zero on the examination. You may bring a simple four-function calculator to the exams.

Diversity and Inclusion

It is my intent that students from all diverse backgrounds and perspectives be well served by this course, that students' learning needs be addressed, and that the diversity that students bring to this class can be comfortably expressed and viewed as a resource, strength and benefit to all students. Please come to me at any time with any concerns.

University Policy on Class Websites (i.e., Canvas) and Student Privacy

Password-protected class sites will be available for all accredited courses taught at The University. Syllabi, handouts, assignments and other resources are types of information that may be available within these sites. Site activities could include exchanging e-mail, engaging in class discussions and chats, and exchanging files. In addition, class e-mail rosters will be a component of the sites. Students who do not want their names included in these electronic class rosters must restrict their directory information in the Office of the Registrar, Main Building, Room 1. For information on restricting directory information see: <http://www.utexas.edu/student/registrar/catalogs/gi02-03/app/appc09.html>.

Privacy in Canvas

Information in Canvas is protected by your UTEID login. Please be aware that I will use a merged Canvas site for all sections of the course that I am teaching this semester. This will allow students in other sections to see that you are enrolled in the course and send you email from within Canvas. However, they will not actually learn your email address and no other personal data will be revealed through Canvas. If you have any concerns, please contact the ITS Help Desk at 475-9400 for help removing your name from view of other students.

Changing Sections

Per University policy, students cannot change sections because of a time or instructor preference. There is a waitlist process in effect. If you have a desire to change sections, please contact the Undergraduate Program Office or MPA office and they will do their best to accommodate your request.

Students with Disabilities

Students with disabilities may request appropriate academic accommodations from the Division of Diversity and Community Engagement, Services for Students with Disabilities, 512-471-6259, <http://diversity.utexas.edu/disability/>.

Religious Holy Days

By UT Austin policy, you must notify me of your pending absence at least fourteen days prior to the date of observance of a religious holy day. If you must miss a class, an examination, a work assignment, or a project in order to observe a religious holy day, you will be given an opportunity to complete the missed work within a reasonable time after the absence.

Campus Safety

Please note the following recommendations regarding emergency evacuation from the Office of Campus Safety and Security, 512-471-5767, <http://www.utexas.edu/safety>:

- Occupants of buildings on The University of Texas at Austin campus are required to evacuate buildings when a fire alarm is activated. Alarm activation or announcement requires exiting and assembling outside.
- Familiarize yourself with all exit doors of each classroom and building you may occupy. Remember that the nearest exit door may not be the one you used when entering the building.
- Students requiring assistance in evacuation should inform the instructor in writing during the first week of class.
- In the event of an evacuation, follow the instruction of faculty or class instructors.

- Do not re-enter a building unless given instructions by the following: Austin Fire Department, The University of Texas at Austin Police Department, or Fire Prevention Services office.
- Behavior Concerns Advice Line (BCAL): 512-232-5050
- Further information regarding emergency evacuation routes and emergency procedures can be found at: <http://www.utexas.edu/emergency>.

Tentative* Course Schedule (abbreviated):

#	Date	Topic
1	Mar. 26	Introduction to the Course & Overview of Assurance
2	Mar. 28	Audits and Reviews of Financial Statements
3	Apr. 2	Direct Assurance: Audits of Internal Control over Financial Reporting
4	Apr. 4	Expanded Auditor's Reporting Model & Report Modifications
5	Apr. 9	Other (Attest) Assurance Services (i.e., sustainability, etc.)
6	Apr. 11	Independence & Professional Ethics
**	Apr. 12	Mid-term Examination. 9 – 11 a.m., Location: UTC 3.122 and UTC 3.124 (Covers L1-L5)
7	Apr. 16	Auditing and Corporate Governance
8	Apr. 18	Professional Judgment – Judgment Biases & Auditing Estimates
9	Apr. 23	Materiality
10	Apr. 25	Group/Component/Multi-location Audits
11	Apr. 30	PCAOB Regulation: Standard Setting and Inspections
12	May 2	Technology and the Audit
13	May 7	Threats to the Profession: Litigation, Relevance, Technology
14	May 9	Course Summary & Review for Final Examination
***	May 21	Comprehensive Final Examination, 2 - 5 p.m., Location UTC 1.130 and UTC 1.132

*While this is our roadmap, don't be surprised if there are changes later. We are studying a dynamic profession and our course will respond accordingly. If and when there are schedule changes, you will be promptly notified.

**Out-of class mid-term examination. Please make a note of this on your calendar. I will not offer an alternative exam time unless I am notified of a conflict within the first week of class.

***Similar to the mid-term examination, please note the final exam time now so that we do not have any conflicts later.