



The University of Texas at Austin
McCombs School of Business

ACC 358C / ACC 380K.4
Auditing & Assurance Services

Time and Location:

MW 12:30 – 1:45, UTC 3.102 (unique 02420 for ACC 358C or 02545 for ACC 380K.4)

MW 2:00 - 3:15, UTC 3.102 (unique 02425 for ACC 358C or 02550 for ACC 380K.4)

MW 3:30 - 4:45, UTC 3.102 (unique 02430 for ACC 358C or 02555 for ACC 380K.4)

Professor

Nicholas Hallman, CPA Ph.D.

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Office hours: Tuesday 1:30pm – 4:30pm, or as announced, and by appointment.

Teaching Assistants

Sam Hunt (unique 2420, 02430, 2545, and 02555)

Email: samhunt@utexas.edu

Office: CBA 4.304A

Office hours: Wednesday 9:00am – 12:00pm

Daniel Rimkus (unique 02425 and 02550)

Email: Daniel.Rimkus@mcombs.utexas.edu

Office: CBA 1.310E

Office hours: Thursday 1pm – 4pm

Note: Although Sam and Daniel have official course assignments, you should feel free to visit either TA's office hours for help. You should also feel welcome to come to my office hours or use the online discussion board (see below).

Canvas

I will use the Canvas (<http://canvas.utexas.edu>) discussion board extensively to make announcements, post documents, and answer questions. So that you do not miss anything important, *please get in the habit of checking the course Canvas site before every class.*

The discussion board benefits you and me. You can use it to post questions, comments, and responses to others' posts. In turn, I will use it to offer clarifications to the entire class, not just the person who asked the question. *If you have a question of general interest, please use the discussion board, not email. That way everyone can benefit.*

Required Course Materials:

I will not distribute paper copies of course materials. I will upload to Canvas the PowerPoint files and other materials that we will use in class discussion.

There is no official textbook for the course.

Course Objectives

At the end of the semester, you should have a better and deeper understanding of the following:

- The role of auditing in a market economy.
- U.S. and international regulation of auditing.
- Auditor independence and ethical responsibilities.
- Dealing with the potential for fraud.
- Internal controls and the integrated audit.
- Risk assessment.
- Audit sampling.
- Audit reporting.
- Evaluating and correcting errors.
- Fundamental issues arising in recent accounting and auditing scandals.
- Academic research in the field of auditing.

Course Schedule

The schedule for this course is subject to considerable change as we proceed through the semester. An initial outline of the expected schedule is posted on Canvas. I will keep the canvas version of the schedule updated, and post announcements whenever I make changes.

Attendance Policy

I hated attendance policies when I was a student and I do not enforce them now. This keeps me honest and forces me to make attending class worth your time. With that said, impromptu in-class discussions are an important part of the course. The content of all such discussions are “fair game” for exams. If you believe that you can achieve the grade you desire without attending class, you are welcome to try. But you probably can’t.

A Few Miscellaneous Notes:

- This course is not just another requirement to graduate. Rather, given that the vast majority of you will either become auditors or will deal with auditors, the primary objective of this course is to help you to succeed *after* graduation.
- Your primary objective for this course should be to learn the skills required to be a good auditor or, at least, to understand auditing, not to get a good grade. But I know that probably seems trite, and that your grade matters a great deal to you. I will do my best to make sure that the distributions of learning and grades are as congruent (and transparent) as possible. However, like most evaluation systems, grading is inherently noisy.

Grading

Course grades will be based on a 500-point scale, as follows:

	Points Possible
In-class examination 1, Wednesday, February 21, 2018	100
In-class examination 2, Wednesday, April 4, 2018	100
Final examination, Date TBD	120
Cases	90
End-of-semester group presentation	90
Total points before extra credit (see details below)	500

In awarding final grades, I start by considering the traditional 90%=A, 80%=B, 70%=C cutoffs based on the 500 nominal points listed above. I sometimes award grades that are more (but never less) generous than these cutoffs, depending upon the end-of-semester point distribution, to reflect the following interpretations:

“A” or “A-” = Exceptional performance, exceeding my expectations. An “A” in this course is a sign of distinguishing oneself with particularly strong performance.

“B+” or “B” = Fine performance, meeting my expectations. The ability to distinguish outstanding from very good performance is undermined if everyone gets an “A,” so I anticipate that a “B” will be the grade most frequently assigned.

“B-,” “C+,” or “C” = Performance that falls short of expectations. These grades should be infrequent, but that being said, there is no such thing as an “automatic B” in the MPA program. If you do not put in the effort necessary to attain a reasonable degree of proficiency in attaining the course objectives, I cannot award you a “B.”

“C-,” “D,” or “F” = Performance that falls far short of expectations, usually reflecting lack of sufficient effort. A failing grade can also result from severe cases of scholastic dishonesty.

Plus/Minus Grading

I award +/- grades in an approximately “GPA neutral” manner. What this means is that I award plus or minus grades for borderline cases at each grade cutoff (primarily the A/B cutoff), but I strive to do so in a way that does not significantly alter the grade-point average for the class as a whole. Thus, the number of students who get an A- instead of an A will be approximately equal to the number of students who get a B+ instead of a B.

Examinations (two midterms worth 100 points each; final exam worth 120 points)

Examinations will emphasize issues and concepts from the assigned readings, cases, lectures, and class discussion. I will post practice questions from previous semesters’ exams, although these may not be representative of the current year exams (either in terms of subject matter or difficulty). Exams may involve a mixture of objective and written-answer formats.

The two midterm examinations emphasize the material covered since the previous examination. The final examination is cumulative, emphasizing material covered after the second midterm along with reinforcing key concepts from earlier in the semester, as reflected on the midterm exams.

Cases and Research Exercises (90 points)

To refine written communication skills as well as judgment skills in dealing with a more realistic and less structured variety of auditing problems than can be found in a textbook, we will cover a few case exercises based on current policy issues and real-world applications.

I value the interchange of ideas. Thus, in the formative stage of a case assignment, you are welcome to discuss an assigned case on the course discussion board that is available on Canvas. That being said, I also value individual accountability. *Copying from another student’s prepared solution is scholastic dishonesty and will be dealt with accordingly.* See the “Policy on Scholastic Dishonesty” later in this syllabus for clarification.

Discussing cases is an important part of the course, so be prepared to discuss and defend your case responses in class. There may also be questions about the cases on exams. You are welcome to discuss and clarify case issues by posting to the discussion board on Canvas.

The materials required to complete each case will be posted to Canvas on the due date of the previous case. The materials required to complete the first will be posted on the first day of class.

All cases will be graded for depth of analysis, originality, quality of writing (if applicable), and professional impression. Some of these cases involve subjective issues for which multiple views can be defended. As in an accounting career, it is important to be both complete and concise. Cases will be graded primarily by the TAs. The TAs’ job will be to order the cases and assign grades based on a distribution which I dictate. If you have questions about your case grade, your first stop should be the TA that graded it.

University Writing Center

If you experience difficulty with written assignments, consider scheduling a free appointment with a writing consultant at the UT-Austin University Writing Center (UWC). The UWC is one of the best student resources available, employing consultants who will work with you to improve your written assignments in ways that preserve the integrity of your work. For further details, see <http://uwc.utexas.edu>.

Group Presentation – “Pick a Scandal” (90 points)

The capstone project at the end of the semester will involve groups of four (or so) students. Each group will investigate a major accounting / auditing scandal (generally from 2000 to date) to identify (1) the underlying financial reporting issue(s), (2) what the auditors should have done differently, and (3) the consequences to management and to the auditors.

Groups will present the results from these investigations in 20-minute presentations at the end of the semester (see course schedule later in this syllabus). Group member assignments will be determined randomly. Each group must also submit the PowerPoint or similar file used to facilitate their presentation, along with a list of references.

Later in the semester, I will provide further details on this assignment and a list of suggested scandals.

Content from these presentations is “fair game” in the final exam, so I advise you to avoid missing class when your classmates are presenting.

Extra Credit for Participation and Effort

To reward your attentiveness and participation, I reserve the right to award extra credit points based on my subjective (but honest) assessment of your performance. We will discuss the extra credit policy in more detail on the first day of class.

Policy on Notifications via Email and via Canvas

I will frequently post important announcements on our course Canvas site, so it is critical for you to monitor this resource before every class.

In addition, when necessary, I will contact you by email, consistent with the UT-Austin policy on email as an authorized vehicle for official University communication. I may use your McCombs School of Business email address on the School’s “Address Book,” or I may use the email address registered on our course Canvas site, so if these accounts are different, please monitor both addresses.

Student Safety and the Behavior Concerns Advice Line (BCAL)

Nothing is more important than safety. Please see <http://www.utexas.edu/safety> to familiarize yourself with campus safety initiatives. Also see <http://emergency.utexas.edu> for emergency

notifications. Regarding behavioral issues, if you have concerns or are worried about someone who is acting differently, consider using the UT-Austin Behavior Concerns Advice Line to discuss your concerns. This service is provided through a partnership among the Office of the Dean of Students, the Counseling and Mental Health Center, the Employee Assistance Program, and The University of Texas Police Department (UTPD). Call 512-232-5050 or visit <http://www.utexas.edu/safety/bcal>. Of course, you are also welcome to discuss any concerns with me, and I will take appropriate action as determined on a case-by-case basis.

Policy on Missed Examinations and Assignments

My general policy is that medical emergencies, family emergencies, religious holidays, and university-sponsored conflicts are the only valid reasons for missing an examination or the due date of an assignment. For each such case, I require some form of supporting documentation, such as a signed note from a physician. At that point I will determine the best make-up alternative on a case-by-case basis, which could mean a make-up exam or recalculating the semester grade to omit the missed component, depending on circumstances. Examinations or assignments that are missed for other reasons will generally not be accepted. In the case of a conflict due to a university-sponsored event, you must notify me as soon as you are aware of the conflict and *before* the examination date or assignment due date.

Religious Holidays: Consistent with the UT-Austin policy on *Observation of Religious Holidays*, I will work with students on a case-by-case basis to find a suitable make-up alternative in the event that a religious holiday conflicts with a scheduled examination or assignment due date. By policy, students must provide at least 14 days of advance notice.

Policy on Students with Disabilities

I do my best to accommodate students with disabilities. For more information, contact the UT-Austin Office of Services for Students with Disabilities (SSD) at 471-6259, or go to <http://ddce.utexas.edu/disability/current-students/>. If you have an SSD-registered accommodation letter, please see me with your letter to discuss the accommodations you need for this course. For SSD accommodations requiring additional examination time, students must provide a suggested block for the time authorized in the SSD letter between the scheduled business hours for the McCombs Testing Center of 8:30 a.m. to 4:30 p.m. on the date of the exam, or, if necessary, the day after the exam. Students must make SSD-related requests well in advance in order to ensure that accommodations can be made. Please note that the McCombs Testing Center can fill up during peak examination periods, so reservations at the requested date/time may not be possible without sufficient notice. SSD-related requests for exam accommodations must be made via email before each exam! If I don't hear from you before a scheduled exam, I will assume that you do not wish an accommodation.

Policy on Scholastic Dishonesty and Working Together on Course Assignments

The Master in Professional Accounting Program has adopted a Code of Conduct, a Career Services Code of Ethics, and a Policy Statement on Scholastic Dishonesty. It is important for you to be familiar with all three documents, which are available on the web at the following link:

<https://my.mcombs.utexas.edu/MPA/Student-Codes-of-Ethics>

The following statement applies to each class in the UT-Austin Department of Accounting:

The Department of Accounting has no tolerance for acts of scholastic dishonesty. The responsibilities of both students and faculty with regard to scholastic dishonesty are described in detail in the department's Policy Statement on Scholastic Dishonesty in the MPA Program (which includes the integrated five-year MPA program and the traditional MPA program). By teaching this course, I have agreed to observe all faculty responsibilities described in that document. By enrolling in this class, you have agreed to observe all 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.

In simple terms, integrity is a public good from which we all benefit. *I view the above statement as a commitment to integrity, not as a threat against students.* It is my intent to conduct this course in an environment of trust and cooperation. I can only achieve this goal if you join me in maintaining an atmosphere of absolute ethical integrity in this course and in our MPA program. We cannot afford to tolerate any less.

Personal Policy on Working Together (applies only to this course):

I believe that learning takes place through a healthy exchange of ideas. Therefore, *for this class*, you are welcome to discuss issues related to assigned cases and problems with other students. However, I expect the final product of each assignment to reflect your individual effort (with the exception of the capstone project that is assigned in groups). ***You may not copy or paraphrase from others' solutions.*** Examples intended to clarify this policy follow:

Examples of collaborative efforts that I welcome (*applies only to this course*):

- A student is confused about an ambiguous aspect of a case or homework problem, and asks another student what s/he thinks.
- Students ask questions and share insights in the class discussion board. (This is appropriate because everyone benefits.)

Examples of collaborative efforts that I do not tolerate:

- Student X completes a case before student Y (or in an earlier semester). Y asks X for X's solution. Y bases his/her solution on X's solution, changing a few words here and there to make it look original. This is an example of plagiarism, which takes advantage of student X and does not evidence any meaningful learning on the part of student Y. Both X and Y are guilty of scholastic dishonesty.

In addition to the (sometimes subtle) changes I make to the cases each semester, students should be aware that assignments required to be submitted online via Canvas may be analyzed with a plagiarism-detection tool such as Turnitin.com. Turnitin.com is a software resource intended to address plagiarism. The software works by cross-referencing submitted materials with an archived database of journals, essay, newspaper articles, books, and other published works. I also maintain a repository of completed cases submitted in prior semesters. Other methods may also be used to determine originality. Plagiarism software is not intended to replace or substitute for the faculty member's judgment regarding detection of plagiarism.

- A student finds a source relevant to a case or presentation and copies from it, without using quotation marks, indentation, or other references to acknowledge the source. This is another example of plagiarism, which is a clear instance of scholastic dishonesty.
- A student completes a data related case and gives the solution file to another student. Blatant copying of this nature is a serious form of scholastic dishonesty.
- Any collaboration or breach of security on a course examination is scholastic dishonesty of the most severe variety. Cheating on an examination can result in a significant academic penalty, including the possibility of an "F" for the course.

For more information on University policies and procedures regarding scholastic dishonesty, see the Student Judicial Services website at <http://deanofstudents.utexas.edu/sjs/>.

When in doubt, you should always feel free to ask me.

If you have read this far, *thank you!* The fact that you read 8 pages of syllabus material shows that you care about this class and want to succeed. History suggests that only about half of all students read the entire syllabus, so I want to give you a small token of my appreciation for being in that half. Accordingly, if you send Sam an email (his email address is listed at the top of the syllabus) with your name, UTID, and section in the subject line by Monday, January 28th, 2019, I will award you one extra credit point.