

**The University of Texas at El Paso - COBA**  
**Acct 4304: Auditing Principles and Procedures**  
**Spring 2018**

**Instructor:** Waymond Rodgers

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**Class Meeting:** Monday, 6:00pm to 8:50pm, COBA

**Office Hours:** Monday, 4:00pm to 5:00 pm  
and by appointment

### **Course Objectives**

The objectives of the course are (1) to introduce the basic concepts underlying an audit of financial statements and an audit of internal control over financial reporting and (2) how to apply those concepts to each type of audit. The course will initially focus on the demand and supply of such services and on understanding the three concepts that underlie the audit process: *materiality*, *audit risk*, and *evidence*. Next, it will focus on applying those concepts to the different business processes and then will finally cover audit reporting. A systematic approach will be taken with the primary emphasis on understanding *why* and *how* audits are performed.

### **Textbook**

Messier, W. F., Jr., S. Glover and D. Prawitt. *Auditing and Assurance Services: A Systematic Approach*. Ninth Edition. New York: Irwin-McGraw-Hill, Inc., 2014. (ISBN 0077862333).

**Case Material: Trusting/Distrusting Auditors' Opinion** by Waymond Rodgers, Andrés Guiral, & José A. Gonzalo

### **Blackboard**

The course will be setup on Blackboard Learning System so please ensure that you have access to it. Please check the site on a daily basis as the instructor will use it to communicate any updates, changes and reminders to students between classes.

### **Learning Environment**

This course is designed to provide you with a learning experience similar to the approach you will use when you begin work as an accountant. This experience involves advance reading to understand important concepts followed by interactive discussion about how to apply those concepts in auditing situations. In light of this, student participation in class discussions is a very important element of this course.

### **Homework Assignments**

Students will be expected to complete 11 homework assignments. These assignments will be based on material discussed in class and will aim to help students consolidate that material. Homework should be turned in on or before the due dates indicated on the course schedule and penalties will be imposed on late work. Each assignment will be worth 10 points and the 10 highest scores will count towards the final grade.

### **Classroom Exercises**

Students will complete several classroom exercises on random dates to be determined by the instructor. These exercises will be worth a total of 50 points.

### **Quizzes**

A total of six quizzes, each worth 10 points will be given. The five highest scores will be counted towards the final grade.

**Audit Case**

Students will be expected to complete one comprehensive audit case assignment worth 100 points. This assignment will test the students' grasp of various auditing concepts and their ability to apply those concepts in a simulated audit setting. The case will center on "trust" relations since they are important for effective interchanges between auditors (trustees) and market participants (trustors) such as investors, creditors, customers, and other users of financial statement information. In particular, auditors' opinion regarding client's ability to continue in existence is essential to improving social capital in Society. For the background material of the case please refer to: **TRUSTING/DISTRUSTING AUDITORS' OPINION BY WAYMOND RODGERS, ANDRÉS GUIRAL & JOSÉ A. GONZALO**

**Section Exams**

There will be two section exams given on the dates listed in the course schedule. Each exam will be worth 50 points, the first will include material covered since the beginning of the semester and the second exam will include material covered since the last exam.

**Cumulative Final Exam**

The final exam is designed to assess how well students have accomplished the learning objectives for this course. It will be worth 100 points and will be given on the date and time specified by the University's final exam schedule.

**Evaluation**

Final grades are determined by total points earned at the end of the semester based on the following allocations:

Homework Assignments	100
Classroom Exercises	50
Quizzes	50
Exam I	50
Exam II	50
Audit Case	100
Final Exam	100
<b>Total</b>	<b>500</b>

After all of your points are calculated your letter grade will be determined as follows:

A	450 Points and Higher
B	400-449 Points
C	350-399 Points
D	300-349 Points
F	Less than 300 Points

**Attendance**

Students are expected to arrive to class on time, participate in the class and stay for the entire class period. If you must be absent, leave early for any reason, please inform me beforehand.

Attendance is valued in this class, just as it is in the workplace. Being absent or late to class sends a negative message to the instructor just like it does to an employer, manager, customer or your banker. You cannot make contributions to class discussions when you are not present. **Please keep in mind that missing 1 class is equivalent to 2.5 days of work.**

If you are unable to attend class, you are still responsible for material covered during that class period. Please ask one of your classmates for notes. Requests for 'make-ups' of graded work done during unexcused absences will not be entertained.

**\*\*\*Very Important: As Per University Policy: "When in the judgment of the instructor, a student has been absent to such a degree as to impair his or her status relative to credit for the course, the instructor can drop the student from the class with a W before the course drop deadline or with a grade of "F" after the course drop deadline."**

**The instructor reserves the right to raise or lower student's grade based on the quality and quantity of the student's participation.**

### **Academic Integrity**

The University of Texas at El Paso prides itself on its standards of academic excellence. In all matters of intellectual pursuit, UTEP faculty and students must strive to achieve excellence based on the quality of the work produced by the individual. In the classroom and in all other academic activities, students are expected to uphold the highest standards of academic integrity. Any form of scholastic dishonesty is an affront to the pursuit of knowledge and jeopardizes the quality of the degree awarded to all graduates of UTEP. It is imperative, therefore, that members of this academic community understand the regulations pertaining to academic integrity and that all faculty insist on adherence to these standards.

Any student who commits an act of scholastic dishonesty is subject to discipline. Scholastic dishonesty includes, but is not limited to cheating, plagiarism, collusion, submission for credit of any work or materials that are attributable in whole or in part to another person, taking an examination for another person, any act designed to give unfair advantage to a student or the attempt to commit such acts. Proven violations of the detailed regulations, as printed in the *Handbook of Operating Procedures* (HOP) available in the Office of the Dean of Students, may result in sanctions such as disciplinary probation, failing grades on the work in question, failing grades in the course, and suspension or dismissal, among others.

Specifically, the submission for credit of computer prepared assignments (Word, Excel, Access, etc.) completed by others, either in previous semesters, or by other members of the class in this semester will be dealt with in the severest possible manner. The mere suspicion of such activities will result in referral to the Dean of Students, with recommendation for the severest possible sanctions, if found guilty.

### **Course Repeat Policy**

The university has adopted a policy that limits undergraduate course enrollment. The policy was implemented in the Fall semester of 1995. Courses taken before Fall 1995 will not count as enrollments in meeting the maximum three enrollments in a course. As noted, individual colleges may have more restrictive policies. The university policy is as follows:

#### ***Limits on Undergraduate Course Enrollment.***

In most instances a student may enroll in an undergraduate class a maximum of three times, except with the permission of the student's academic dean. A student may enroll more than three times in a variable topic, studio, performance, workshop or other course that is identified as 'may be repeated for credit.' This includes enrollments that result in a grade of 'W', 'F', 'D', or 'P'. It does not apply to courses taken prior to the students' re-enrolling under 'Option 2' or Readmission After Extended Absence. Individual colleges may have more restrictive policies. The College of Business Administration instituted a "3 time" enrollment limitation in the spring of 1993. Business courses taken that semester or later are subject to this rule.

A student may not enroll in a course in which a grade of 'C' or higher has been previously earned) except for a variable-topic, studio, performance, workshop or other course that is identified as 'may be repeated for credit'. Moreover, a student may not enroll in a course in which he or she has an unresolved grade of 'I'.

As of the 2005 fall semester, the university has instituted a surcharge of \$100 per course hour, for any course the student enrolls in for the third time.

**Withdrawal Policy**

The last date that you may drop the course with an automatic "W" is Monday, October 30, 2016. After that date, students must be dropped from a course with a mandatory grade of "F." A grade of "W," after that date may be assigned only under exceptional circumstances, and only with the approval of the instructor, the department chair and academic dean. The student must petition for the "W" in writing and provide the necessary supporting documentation. Please note that if you can no longer continue in the course, for whatever reason, it is your responsibility to withdraw from the course.

**Students with a Disability**

If you feel you may have a disability that requires accommodations, contact the The Center for Accommodations and Support Services (CASS) Office at 747-5148, or go to the Union Bldg., East, Room 106, or email [cass@utep.edu](mailto:cass@utep.edu).

**Statements on Faculty and Student Responsibilities**

Statements on faculty and student responsibilities may be found on the College of Business website at: <http://business.utep.edu/About/responsibilities.aspx>.

**Cell Phones**

- Set your phone to mute or silent mode before coming to class.
- Do not answer incoming calls or make outgoing calls while in class.
- Do not use text messaging or web browser features while in class.

**Class Policy for Electronic Devices: All electronic devices (cell phones, laptops, camera containing devices, etc.) should be completely turned off in class and should not be in the hands of students at any point during class. Professor reserves the right to temporarily confiscate electronic devices owned by students when electronic devices are either not switched off or are found in the hands of students. All students are expected to comply. Students will be penalized for noncompliance.**

# NO TEXTING ALLOWED.

**Other**

This syllabus is subject to change. Any changes will be announced in class and posted to the Blackboard web site.

**Course Schedule**

<b>Date</b>	<b>Discussion Topic</b>	<b>Reading/Assignment</b>
1-22-18	Course Introduction 1.1 Introduction to Assurance services	Pages 3-24,35-44
1-29-18	1.2 Auditing Standards and Professional conduct 1.3 Independence and Objectivity	Pages 52-58, 643-654 Pages 654-672 Assignment 1
2-05-18	1.4 Audit Planning 1.5 Risk Assessment	Pages 69-89 Pages 99-120 Assignment 2

<b>Date</b>	<b>Discussion Topic</b>	<b>Reading/Assignment</b>
2-12-18	1.6 Audit Evidence 1.7 Audit Documentation	Pages 131-149 Pages 149-167 Assignment 3
2-19-18	1.8 Internal Control and Audit Strategy 1.9 Internal control over Financial Reporting	Pages 183-209 Pages 225-230, 241-251 Assignment 4
2-26-18	1.10 Audit Sampling I 1.11 Audit Sampling II	Pages 269-283 Plus Instructor Notes Pages 310-325 Assignment 5
<b>3-05-18</b>	<b>Exam I Exam I Review</b>	<b>None</b>
<b>3-12-18</b>	<b>SPRING BREAK</b>	
3-19-18	2.1 Auditing the Revenue Process 2.2 Auditing the Purchases process 2.3 Auditing the Human Resources Process	<b>Assignment 6</b> Pages 349-388 Pages 399-426 Pages 437-455
3-26-18	<b>GUEST SPEAKER</b>	
4-02-18	2.4 Auditing Cash 2.5 Auditing Inventory 2.6 Auditing Assets	Pages 543-555 Assignment 7 Pages 465-486  Pages 495-512 Assignment 8
4-09-18	2.7 Auditing Liabilities, Equity 2.8 Completing the Audit	Pages 521-534 Pages 577-597 Assignment 9, Audit Case
4-16-18	<b>Exam II Exam II Review</b>	
4-23-18	Trust Issues 2.9 Audit Reports	Pages 611-630
5-01-18	2.10 Auditor Liability	Pages 349-388
5-08-18	<b>Final Exam</b>	