

**Brett A. Stone, Ph.D., CPA**  
Office: BA 365A  
Phone: (518) 442-4938  
Email: [bstone@uamail.albany.edu](mailto:bstone@uamail.albany.edu)

Office Hours: M W 2:30 p.m. - 4:00  
T TH 10:00 a.m. - 11:30  
(and by appointment)

**PLEASE NOTE:** Email is the most effective way to contact me outside of office hours. Although you will have access to the email function in WebCT so that you may contact your fellow students in this class, **PLEASE email me directly using a separate email program (MS Outlook, etc.) whenever possible** so that I may reply without having to log in to WebCT.

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**Course Syllabus**  
**ACCT461Z/ACCT561**  
**Auditing**  
**Spring 2007**



*“You must be willing to do today what others are unwilling to do,  
in order to have tomorrow what others are unable to have!”*  
- Les Brown

*“If you continue to do what you've always done,  
you'll continue to get what you've always gotten.”*  
- Les Brown



**REQUIRED TEXT:**

- ❖ Louwers/Ramsay/Sinason/Strawser, *Auditing and Assurance Services*, Second Edition, McGraw-Hill/Irwin

**RECOMMENDED MATERIAL:**

- ❖ Gleim, *2007 Auditing & Systems Exam Questions and Explanations (EQE) Test-Prep CD-ROM/Internet Download* – Please see the document on the main page of WebCT for ordering information.

**NOTE:** Students are advised that the primary pool of questions the instructor will draw from for both in-class and exam questions will be old CPA Exam questions along the lines of the content of the Gleim EQE Test-Prep software and similar CPA Exam review materials.

**REQUIRED STUDENT RESPONSE DEVICE:**

- ❖ This course will utilize a wireless student response system as a classroom aid during the semester. In particular, we will be using the **Classroom Performance System (CPS)** produced by **elInstruction**. Students may use a previously purchased RF (radio frequency) CPS remote (‘clicker’) or purchase a new one at the campus bookstore. Students are **REQUIRED** to bring their remote to **EVERY CLASS!**

Please see the document on the main page of WebCT for additional instructions on purchasing and/or activating your remote.

**IMPORTANT NOTE:** It is entirely the student’s responsibility to bring the remote to class each session and ensure that sufficient battery life remains. (A suggestion would be to carry a spare set of batteries as well.) Other than missed activities resulting from other technical issues completely out of the control of the student (as determined by the

instructor), students will receive a grade of zero for all missed in-class activities! It is the student's responsibility to notify the instructor IMMEDIATELY if they believe their remote has been lost, stolen or is otherwise not working properly!

### **ADDITIONAL SUGGESTED STUDY AIDS:**

- ❖ Familiarity with official auditing standards is an integral part of this course. Links to the official text of standards promulgated by both the Auditing Standards Board (ASB) and the Public Company Accounting Oversight Board (PCAOB) are included in the LINKS section on WebCT.

### **WebCT AND EMAIL:**

The course WebCT site may be accessed via: <http://www.albany.edu/its/webct/webctlogon.htm>

Students are expected to check their UAlbany email daily!

As per [http://www.albany.edu/myualbany/howto\\_brochure.html](http://www.albany.edu/myualbany/howto_brochure.html):

**“Student Email address:** Students may not change this email address. The University will assign a UAlbany email account to you for the purpose of official University communications. Students are responsible for activating their account and checking it on a regular basis. To activate your account go to <http://www.albany.edu/myualbany>, click on the **Password Set/Reset** button and follow the instructions for the ITS UNIX cluster.”

Failure to adhere to the above can result in missing needed course communications and other helpful material!

### **COURSE DESCRIPTION & OBJECTIVES:**

This course will address the process of conducting a financial statement audit in accordance with Generally Accepted Auditing Standards (GAAS), the audit environment, the process of communicating audit results in report form, and other types of assurance services commonly provided by public accountants.

This course is unlike most other courses in the accounting curriculum in that it is non-quantitative and focused equally upon the acquisition of knowledge-based analytical decision-making skills and communication skills. Students will be graded on their ability to understand and recall auditing principles, as well as their ability to apply auditing standards to new situations. Students will also be graded on their ability to communicate their understanding of auditing principles effectively, both orally and in writing.

Specific intended learning outcomes for this course and the primary tools used to assess such outcomes include:

<u>Learning Outcomes</u>	<u>Primary Assessment Tools</u>
✓ Demonstrate an understanding of accepted U.S. standards for audit and other attest engagements.	⇒ Examination components and in-class CPS remote questions.
✓ Demonstrate an understanding of the codes of conduct governing the profession of auditing and accounting and be able to explain professional responsibilities to protect the public interest.	⇒ Examination components and in-class CPS remote questions.
✓ Demonstrate an understanding of the importance of ethics and values in the field of accounting and in the world of business.	⇒ Research Paper # 1 (individual).
✓ Demonstrate an understanding of the concepts of audit risk and materiality.	⇒ Examination components and in-class CPS remote questions.
✓ Demonstrate an understanding of how to assess engagement risk and plan an engagement.	⇒ Examination components and in-class CPS remote questions.

- ✓ Demonstrate competence in the utilization of research databases in an audit context. ⇒ CPA Exam practice simulation questions (Kaplan CPA Review – link from publisher’s web site)  
⇒ Research Paper # 2 (group).
- ✓ Demonstrate an ability to communicate complex technical auditing and accounting issues in written reports in proper format and with proper citations. ⇒ Research Paper # 2 (group).
- ✓ Demonstrate an ability to deliver an oral presentation in a professional manner. ⇒ PowerPoint presentation (group).

## ATTENDANCE AND WHAT IS EXPECTED OF STUDENTS:

Classroom lectures, discussions, and related activities are specifically designed to highlight, clarify, and expand upon key points made in the text and **not** to simply reiterate the text material. The teaching methodology employed in this course is one of **interactive lecture and class discussion**. For this course to be worthwhile and enriching it is imperative that everyone be **actively engaged** in the learning process, both inside and outside the classroom. As stipulated in the ‘Grading’ section of the syllabus, a portion of each student’s overall course grade will come from completing in-class activities using the eInstruction wireless student response system. **Students who miss class on an UNEXCUSED BASIS will receive a zero for any and all in-class graded activities conducted that day!**

◆◆◆ASK QUESTIONS!◆◆◆COME SEE ME!◆◆◆ASK QUESTIONS!◆◆◆

It is expected that students will ask questions whenever there is a misunderstanding of any sort. Please ask questions pertaining to the material in class whenever possible, although you can see me in my office or email questions as well. In class is preferred, as it will give all students the benefit of hearing both the question and answer. PLEASE LET ME BE THE JUDGE OF WHETHER A QUESTION IS PERTINENT OR NOT! Please do not discard any question regarding course material offhand as being ‘stupid’ or ‘dumb’ as they usually are not.

◆◆◆ASK QUESTIONS!◆◆◆COME SEE ME!◆◆◆ASK QUESTIONS!◆◆◆

In order to succeed in this course a student must be willing to apply him or herself academically. Students should understand that a considerable amount of learning will take place as students work on the material outside of class, when reading, thinking critically, and researching issues. Classes should be considered opportunities to discuss and apply the material, and to develop communication skills. They are also opportunities for the instructor to provide insight, to help students attain conceptual understanding, and for the evaluation of performance.

The bottom line is that students should expect the classroom sessions to be interesting, informative, and useful, but by no means expect the lectures and related discussions to provide all that is needed to master the material. To be successful in this course a student must be willing to commit himself or herself to working extensively and diligently **OUTSIDE** the classroom and to bringing questions to the instructor when additional clarification is needed. It is only through the **COMBINATION** of this extensive outside work with classroom lectures and discussions that mastery of the material can be attained (and in some cases, the minimum required level of understanding needed to pass the course).

It is expected that students will attend and be well prepared for all classes! Applicable material should be thoroughly prepared prior to the classroom meeting (this does not mean you should simply read the text – there is a BIG difference between having read the text and being prepared for class).

Attendance will be taken at the start of each class.

Students with **more than one unexcused** absence will be subject to a reduction (the amount of which is entirely at the discretion of the instructor) to their final course grade.

*Although there may be no remedy available, students are asked to please contact the instructor ahead of time (email will suffice) if he or she will miss class.*

Excused absences are rare and pertain to very special situations (death of an immediate family member and hospitalization as a result of an accident or severe illness are two examples). Missing class because of minor illness (a cold, headache, etc.) will NOT be grounds for an excused absence regardless of whether or not a Doctor's note is presented. Further, an interview, car failure, oversleeping are not acceptable "emergencies". Students are advised to plan their schedules accordingly. ***The above examples should be construed as guidance of a general nature and should not be interpreted to be an exhaustive list of what constitutes an excused or unexcused absence for purposes of this course. The final determination of the classification of any absence will be made by the instructor.***

***IMPORTANT:*** If a student misses class as the result of an unexcused absence, it is expected that he or she will first check with a fellow classmate(s) regarding missed material rather than with the instructor. As stated earlier, students are certainly invited to ask questions and/or come and see the instructor when they don't understand something; however, it is not an efficient use of the instructor's time to conduct one-on-one sessions with students solely for the purpose of catching-up on missed material (it is also not fair to those students who made the effort to attend class). Changes in the class schedule, comments on homework assignments and exam material, as well as other administrative items will be announced in class as needed, sent via email, and/or posted on the class WebCT site. *Students are held responsible for obtaining this information whether an absence is excused or unexcused!*

When attending class, it is expected that students will arrive **on time!** It is discourteous and disruptive to the instructor and the rest of the class when students enter the classroom after the session has started. Students who show a pattern of tardiness (as determined by the instructor) may be asked to drop the course. At a minimum, such students will be subject to the same type of grade reduction as mentioned above with respect to students who miss 2 or more classes on an unexcused basis.

Disruptive classroom behavior of any kind will not be tolerated. **ALL CELLULAR PHONES AND SIMILAR COMMUNICATION DEVICES ARE TO BE TURNED OFF AND PUT AWAY BEFORE ENTERING THE CLASSROOM! SUCH DEVICES ARE NOT PERMITTED TO BE USED DURING ANY CLASS SESSION, INCLUDING EXAMINATIONS!** Disruptive behavior can take many forms, but simply put, students who cannot remain attentive in class or otherwise act unprofessionally will be asked to leave the classroom immediately. Students who show a pattern of disruptive behavior (as determined by the instructor) may be asked to drop the course. At a minimum, such students will be subject to the same type of grade reduction as mentioned above with respect to students who miss 2 or more classes on an unexcused basis.

### **REQUIRED WRITING ASSIGNMENTS AND POWERPOINT PRESENTATION:**

This University has designated this course as a "Z" course for undergraduates, the designation for a writing intensive course. To fulfill this requirement, there will be a minimum of two significant writing assignments. The first is an individual assignment. The second paper will be a group effort and will be integrated with a group oral presentation requiring the use of MS PowerPoint. Both papers will be graded equally on content and writing (grammar, spelling, punctuation, word choice and writing style). Both papers are due at 11:00 a.m. on the day designated (see the attached Schedule of Material Coverage) via email attachment **ONLY. LATE SUBMISSIONS** will receive a grade reduction of one full letter grade for EACH DAY OR FRACTION THEREOF they are late. Further, submissions not made in the prescribed manner will receive an automatic grade reduction of one full letter grade. Detailed requirements and additional information for each assignment and the presentation will be provided on separate handouts and/or WebCT postings during the semester.

Papers **must** adhere to the *Publication Manual of the American Psychological Association* (APA) style requirements. You may refer to <http://library.albany.edu/usered/style/apa.html> and <http://library.albany.edu/usered/style/ann.html#cite> for guidance concerning APA style requirements. There are certainly many other sources you may consult as well. Students are strongly encouraged to consult the University at Albany Writing Center <http://www.albany.edu/writing/> for additional assistance. These links are also available on WebCT.

### **Groups:**

Students may self-select their group members, although the instructor will have final say on group composition. Groups will consist of no less than 3 members and no more than four members. If you have trouble finding a group, the instructor will assist you. The deadline for notifying the instructor of your group composition will be provided at a later date. Students who fail to notify the instructor by the deadline will be placed in a group by the instructor.

Group members are expected to participate fully in all group activities. Dysfunctional groups that find themselves unable to self-mediate and remedy the situation should see the instructor immediately for assistance in resolution. Such resolution may result in an uncooperative group member being expelled from the group. This may require the expelled group member to complete all remaining assignments alone.

## **HOMEWORK:**

Solutions to the end-of-chapter practice assignments will be made available on WebCT as considered necessary. A limited number of practice multiple-choice questions and CPA exam practice simulation questions are available on the student web site maintained by the textbook publisher (link is on WebCT). However, the majority of practice questions are available through **Gleim's 2007 Auditing & Systems EQE Test-Prep CD-ROM/Internet Download** study material that students have the option of purchasing separately. The software provides students with real-time question review (i.e., instant feedback) and a "Performance Analysis" system that tracks students' progress and maintains a performance history so students may better target and strengthen weak areas. The software draws on thousands of questions from professional certification exams such as the CPA Exam. Please see WebCT for additional information and purchase instructions. *[Also included on WebCT is information on discounts offered to University at Albany students on additional CPA Exam review material, as well as information regarding the FREE availability of the CPA Exam review software (all sections) on a limited number of University at Albany computers.]*

**NOTE:** Students are advised that the primary pool of questions the instructor will draw from for both in-class and exam questions will be old CPA Exam questions along the lines of the content of the Gleim EQE Test-Prep software and similar CPA Exam review materials.

When working through practice questions, students are strongly encouraged to work together in small (2-3 students) groups. Used **effectively**, study groups can greatly increase one's ability to comprehend and most importantly, retain the material. The highest level of understanding will usually be attained only after the material can be coherently, concisely, and effectively **explained** to someone else. **Remember, there is a BIG difference between familiarity, understanding, and mastery!**

In preparing for class, students should *not* limit themselves to studying the text and working through practice questions only. Students are strongly encouraged to also watch CNBC and read business publications such as the Wall Street Journal, as well as some of the many business-related web sites.

The bottom line is that students are expected to prepare for each class session by reading and studying applicable material. The instructor will often call on students to discuss the material being covered. If a student is not prepared, it will be noted. Likewise, if a student successfully demonstrates his or her preparedness it will also be noted. In addition to these instances, a student's 'record' of class participation will include voluntary contributions such as raising questions or contributing to classroom discussions via the mentioning of current events that may be relevant to the course. **At the full discretion of the instructor** and taken as a whole, a student's record of classroom participation **may** result in either a positive or negative adjustment to the student's overall course grade as initially determined through the measures outlined below.

## **GRADING:**

15 Percent: In-class 'clicker' activities  
15 Percent: Paper 1 (Individual) – **Due Wednesday February 28, 2007, 11:00 a.m., via email only**  
15 Percent: Paper 2 (Group) – **Due Monday April 30, 2007, 11:00 a.m., via email only**  
15 Percent: PowerPoint Presentation (Group) – **Beginning Monday April 30, 2007**  
20 Percent: *Exam I* – **Wednesday March 7, 2007**  
20 Percent: *Exam II* – **Wednesday April 25, 2007**  
100 Percent

The format of the exams will be provided in class at a later date.

- ❖ After applying a curve, **IF ANY**, final course letter grades will be assigned based on the following scale:

<u>Total Points</u>	<u>Grade</u>
92 -100	A
90 - 91	A-
87 - 89	B+
82 - 86	B
80 - 81	B-
77 - 79	C+
72 - 76	C
70 - 71	C-
62 - 69	D
<61	E (failure)

Per Accounting Department policy, the completed exams will not be returned. You may view your exam during scheduled and announced times following the determination of exam results.

### **USE OF CALCULATORS OR OTHER AIDS DURING IN-CLASS EXERCISES AND EXAMINATIONS:**

All exams will consist of questions intended to reflect the content and level of difficulty comparable to the CPA exam. You may print out and bring and use text of auditing standards promulgated by either the Auditing Standards Board of the AICPA or The Public Company Accounting Oversight Board, although there is no requirement to do so. No other materials may be viewed during exams. Calculators, cell phones, electronic dictionaries, PDAs, and all other similar devices are prohibited during exams. **Students should expect to use their CPS remote during all in-class exercises and examinations.**

### **MAKE-UP EXAMS AND EXTRA CREDIT ASSIGNMENTS:**

Make-up examinations will only be given in the case of DOCUMENTED emergencies that constitute grounds for an excused absence as defined previously (e.g., hospitalization due to injury or illness, death in the family, etc.). Examinations are time consuming to construct and it is difficult to construct exams of equal difficulty. Accordingly, make-up examinations are to be avoided whenever possible. All make-up examinations will be held at an instructor determined time, either during or at the end of the semester, and administered in a format determined by the instructor (i.e., multiple-choice, essay, etc.). A grade of **zero** will be given for a missed exam or assignment including any and all in-class instruction activities due to an unexcused absence. There will be no extra credit assignments!

### **POLICY ON RECEIVING AN 'I' GRADE:**

An "I" grade is defined as "A temporary grade requested by the student and assigned by the instructor only when the student has nearly completed the course requirements but because of circumstances beyond the student's control the work is not completed\*\*". The date for the completion of work is specified by the instructor, but may not be longer than one month before the end of the semester following that in which the incomplete is received."

\*\*Nearly completed means that the circumstances beyond the students control happen near the end of the course.

### **ACADEMIC INTEGRITY:**

The concept of academic integrity lies at the very heart of any University or College. The bottom line is that academic dishonesty, in any form, **cannot and will not be tolerated!** Students who commit such acts expose themselves to punishments as severe as dishonorable dismissal from the University. Academic dishonesty can take different forms, including, but not limited to, cheating (dishonesty in a test situation), plagiarism (dishonesty in the presentation of materials in a paper or report), and computer abuse. In any situation in which a student is unsure of what constitutes academic dishonesty, it is entirely **THE STUDENT'S** responsibility to raise the question with the instructor. It is also **THE STUDENT'S** responsibility to be familiar with the University's guidelines on academic integrity entitled "*Standards of Academic Integrity*" as outlined in the Academic Regulations section of the applicable Undergraduate or Graduate Bulletin, copies of which may be found on the University's web site. Alleging ignorance of what constitutes

academic dishonesty or of the University's policy on the subject will not be considered a valid explanation or excuse.

### SCHEDULE OF MATERIAL COVERAGE AND ASSIGNMENTS:

**NOTE:** The schedule provided below is subject to change as the semester progresses. Students are responsible for notices of change to the schedule as provided by the instructor via in-class announcements, email, and/or announcements posted on the class WebCT site.

DATE	TOPIC	CHAPTER
M Jan 22	Introduction Auditing and Assurance Services <b>** Research Paper #1 Assigned via WebCT **</b>	1
W Jan 24	Auditing and Assurance Services	1/Module A
M Jan 29	Professional Standards	2
W Jan 31	Professional Standards	2
M Feb 5	Reports	12
W Feb 7	Reports	12
M Feb 12	Ethics	Module B
W Feb 14	Ethics	Module B
M Feb 19	<b>NO CLASS - Winter Break</b>	
W Feb 21	<b>NO CLASS - Winter Break</b>	
M Feb 26	Materiality/Risk	3
W Feb 28	<b>** Research Paper #1 Due ** (11:00 a.m., via email ONLY) Materiality/Risk</b>	3
M March 5	Materiality/Risk	3
W March 7	<b>** EXAM I ** ** Research Paper #2 Assigned via WebCT (9:00 a.m.) **</b>	
M March 12	Planning	4
W March 14	Planning	4
M March 19	Internal Control	5
W March 21	Internal Control/Fraud	3/6
M March 26	Fraud/Sarbanes Oxley	6
W March 28	Sarbanes Oxley	6
M April 2	<b>NO CLASS - Spring Break</b>	
W April 4	<b>NO CLASS - Spring Break</b>	
M April 9	<b>NO CLASS - Spring Break</b>	
W April 11	Sampling	Module E
M April 16	Completing the Audit	11
W April 18	Discussion of Various Case Studies	pp. 485-495
M April 23	Discussion of Various Case Studies	pp. 485-495
W April 25	<b>** EXAM II **</b>	
M April 30	<b>** Research Paper #2 Due ** (11:00 a.m., via email ONLY) Group Presentations</b>	
W May 2	<b>Group Presentations</b>	
M May 7	<b>Group Presentations</b>	