

University of North Carolina at Greensboro
ACC 440/604-02 – Auditing Concepts
Course Syllabus – Spring 2025

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Office hours: Monday 3:30 – 4:30 p.m. and Wednesday 3:30 – 4:30 p.m. on Teams or In-Person. I am also available by appointment. I am usually available for weekend appointments.

There is considerable information in Canvas, including brief lecture videos, brief problem videos, PowerPoint slides, and textbook problems solutions, although these are designed to supplement your reading of the textbook and completion of the homework problems. You are responsible for viewing the videos and reviewing additional course material. Consistent with best instructional design practices, these videos are generally less than 10 minutes in length. However, because of their brevity, **they do not substitute for reading the text.**

REQUIRED MATERIALS

- Auditing and Assurance Services: An Integrated Approach, 18th edition, by Arens, Elder, Beasley, and Hogan (note this is provided for undergraduates by the bookstore under the First Day inclusive access program but you may opt out).
 - Print rental ISBN-13: 978-0-13-810306-4
 - Digital ISBN-13: 978-0-13-787919-9
- Integrated Audit Practice Case, 8th edition, by Kerr, Elder, and Lively (ISBN No. 978-0-912503-91-d). You should receive an access code for this as part of the First Day program (the Section Code for you to access this e-Book is: **5988520fbc**).

RECOMMENDED MATERIALS

- Auditing & Systems: Exam Questions and Explanations, 22nd edition, by Gleim and Hillison (available at Barnes & Noble or online – ISBN No. 978-1-61854-428-5). The 21st edition can also be used.

COURSE DESCRIPTION

Concepts underlying audit process, procedures used in external auditing, statistical application, preparation of audit programs, and reports. Use of audit software to conduct control risk assessment and substantive tests.

PREREQUISITE: Grade of C or better in ACC 319/519 and ACC 325/525

ADD/DROP DATE – Jan 17th, 2025

LAST DAY TO WITHDRAW – March 7th, 2025. It is uncommon for students to need to drop this course. It is always advisable to meet with the instructor before dropping any course.

COURSE OBJECTIVES:

1. Understand basic auditing concepts: risk identification and response; client acceptance and continuance, sampling, controls evaluation and testing, and substantive testing.

2. Understand the role of auditing in business organizations and other entities and the impact of auditing on the economy.
3. Learn how public accounting firms operate and how quality control procedures are applied.
4. Apply generally accepted auditing standards – the course will emphasize how to identify issues and to research solutions.
5. Understand the AICPA Code of Professional Conduct and its application to ethics in the auditing profession.
6. Gain a basic understanding of other assurance services, including the auditor’s role in sustainability initiatives (e.g., corporate social responsibility reporting).
7. To help you to develop as a professional.

ACADEMIC INTEGRITY

It’s your responsibility to become familiar with the UNCG Academic Integrity Policy. By submitting an assignment, each student is acknowledging their understanding and commitment to the Academic Policy on all major work for the course. A link to the policy is included at [Academic Integrity Policy](#).

As stated in the UNCG Academic Integrity Policy, cheating includes but is not limited to unauthorized copying from the work of another student, giving or receiving information or assistance on work when it is expected that it is the student’s own work, or engaging in any similar act that violates the concept of academic integrity.

Because the exams are administered online, they will be open book and notes, but other provisions of academic integrity apply. I do not plan to use Respondus lockdown browser and monitor for exams, but that policy is subject to change at the instructor’s discretion.

Gen AI Policy: You are expected to follow the University’s Academic Integrity Policy. All ideas, text, images, and other content you submit should be appropriately cited when taken, directly or indirectly, from another source. For purposes of this course, use of generative artificial intelligence (GAI) will be treated analogously to assistance from another person. Unauthorized or unacknowledged collaboration, or the presentation of another’s work as your own, is a violation of the Academic Integrity Policy. If you are unsure about whether particular uses of GAI tools may be plagiarism, cheating, or another form of academic dishonesty, please reach out to me to discuss it as soon as possible.

GRADING

1. The weight assigned to each requirement is as follows:

	Points
Exam #1	75
Exam #2	75
Exam #3	75
Final Exam	100
Participation	25
Ethics quiz	10
HW assignments	30
Audit practice case	85
Total	475

2. Course grades are determined as follows:

Points	Percent	Grade	Points	Percent	Grade
440-475	92.6%	A	345-364	72.2%	C
425-439	89.5%	A-	330-344	68.9%	C-
410-424	86.3%	B+	315-329	66.3%	D+
395-409	83.2%	B	300-314	63.2%	D
380-394	80.0%	B-	280-299	58.9%	D-
365-379	76.8%	C+	<280		F

Exams – Exams will be 75 minutes in length, except for the final exam which is 120 minutes in length. Exams will be available online during a 48-hour window that normally includes at least part of a weekend. Exams will be a combination of multiple choice and other objective problems. Sample exams will be available in Canvas for practice.

Homework – Seven homework assignments will be collected; these are designated by an asterisk on the course schedule and are due at 11:59 p.m. on the date indicated in Canvas. Due dates are included on the syllabus and in Canvas modules for information purposes. Your homework grade will be based on your six highest homework scores, which means that you are allowed to miss one homework assignment. The homework problems will be posted on Canvas and are similar to homework problems in the textbook. Homework problems will generally be in Excel format and submitted online in Canvas.

Participation – Participation points are earned by providing meaningful comments to postings to the online discussion board. The most interesting discussion questions relate to the demand for auditing and the auditing environment and are covered early in the semester. Participate early in the discussion board; there will be no discussion questions after the third exam.

GROUP PROJECT - AUDIT CASE

I will form three-person groups early in the term. Audit case assignments are to be completed as a group assignment; groups should plan to work virtually. Only one solution for these assignments should be turned in; each member of the group will receive the group score. The case is graded on completeness, neatness, effort, and appropriate application of principles. "Correct answers" are less important but do impact upon the grade.

At the conclusion of the case, each class member will evaluate each of the other members of his or her group for their contribution to the project and the overall success of the group. **You must significantly participate in the group activities to receive any credit for the group project.** Further information will be provided with the instructions to the case.

The points allocated to the case and group work are as follows:

	Points
JA Tires problem	10
Assignments 1 and 2 – Client acceptance and preliminary analytical procedures	15
Assignment 3 – Determine materiality and assess risks	15
Assignment 4 – Assess control risk and plan tests of controls	10
Assignment 5 – Perform tests of transactions	10
Assignment 6 – Perform audit of accounts receivable	15
Assignment 7 – Perform audit of accounts payable	<u>10</u>
Total points	<u>85</u>

CURRENT EVENTS

To stay current, I strongly suggest a subscription to *The Wall Street Journal*, which costs approximately \$4 per month for digital access or \$10 per month for print and digital access <https://buy.wsj.com/offers/html/JIEofferWDSM151.html?trackCode=aaqb9wc7>. I also suggest registering with CFO.com at <http://www.cfo.com/subscribe/> or Accounting Today at <http://www.accountingtoday.com>. With these you can subscribe to free newsletters and email alerts for accounting and auditing topics. You will receive daily emails, many of which are relevant to the world of accounting and auditing. Lastly, the *Journal of Accountancy* is available for free at <http://www.journalofaccountancy.com/>.

None of these materials are required. However, if you are interested in being successful in your business career, these will be helpful in developing your business knowledge.

EXCEL BONUS POINT OPPORTUNITY

Excel skills are important for accounting majors. The Bryan School has purchased an Excel certification site license and practice software from Certiport Inc. to help Bryan School students prepare and pass the Excel specialist exam. Certification exams will be given throughout the semester, and you are encouraged to take the certification exam when you are ready. Details are available at <https://bryan.uncg.edu/students/student-resources/microsoft-office-specialist-excel-certification/>.

If you decide to participate, please request a free practice examination code as shown on the webpage. You will receive an email with a link to the G'metrix software and a code to get access to the practice exam. Continue to take the practice exams until are confident that you will be able to earn a grade of 80 or higher on a qualifying exam.

If you pass the actual Certiport Excel Specialist exam during the spring semester you will receive 10 extra credit points. If you passed the specialist exam in a previous semester you can sit for the Excel Expert certification, or request credit for an alternate certification. Any credit for alternative certification must be approved by me in advance. You cannot receive credit for another certification if you do not have Excel certification. Any certification exam must be taken by **Monday, April 21st**.

CLASS CONDUCT

Each student is responsible for the material and assignments as indicated in the tentative course schedule on the last page of this syllabus. I will attempt to follow this closely and I will announce changes, if necessary.

Think of this course as means to *develop as a professional*. Each of you is expected to gain an understanding of the subject matter by (1) completing the assigned readings, (2) completing the assigned homework problems, and (3) participating fully in completing the audit case.

For UNCG and Bryan School policies, see:

- [Student Code of Conduct](#)
- [Bryan School Faculty and Student Guidelines](#)

COMMUNICATION

Outside of class, I will communicate with you primarily by Canvas announcements and occasionally by email. This syllabus (including revisions during the semester), as well as other documents, will be posted on Canvas. Prior to each class, I will post PowerPoint files and video lectures. Homework solutions for problems that are not collected will also be posted to Canvas, as well as solutions to assigned homework after the assignments have been graded.

MAKE-UP POLICY

If for good cause, you must miss a scheduled exam, provisions can be made to take a make-up exam, but I must be notified prior to the exam.

Because you are allowed to miss one homework assignment, no late homework assignments will be accepted. Although late submissions of audit practice case modules will also generally not be accepted, late submission of one assignment will be accepted depending on the circumstances.

ACCOMODATIONS

UNCG seeks to comply fully with the Americans with Disabilities Act (ADA). Students requesting accommodations based on a disability must be registered with the Office of Accessibility Resources and Services (OARS) in 215 Elliott University Center, 334-5440, oars.uncg.edu.

Students may request accommodations for religious holidays under applicable laws. Please see <https://catalog.uncg.edu/academic-regulations-policies/university-policies/> for additional information.

Students should remind the instructor in advance when accommodation affects course activities, e.g., before taking exams, to ensure that the instructor has updated systems accordingly.

HEALTH AND WELLNESS

Your health impacts your learning. Throughout your time in college, you may experience a range of health issues that can cause barriers to your learning. These might include physical ailments, illnesses, strained relationships, anxiety, high levels of stress, alcohol/drug problems, feeling down, or loss of motivation. Student Health Services and The Counseling Center can help with these or other issues you may be experiencing. You can learn about the free, confidential mental health services available on campus by calling 336-334-5874, visiting the website at <https://shs.uncg.edu/> or visiting the Anna M. Gove Student Health Center at 107 Gray Drive. Help is always available.

ACC 440/604-02 –Auditing Concepts – Online Tentative Schedule – Spring 2025

Wk	Date	Topic & APC due date	Reading	Assignments*
1.	Jan. 13	Course Introduction Demand for Audit and Attest Services	Ch. 1	
2.	Jan. 20	<i>Martin Luther King Day</i> The CPA Profession	Ch. 2	1-16, 1-17
3.	Jan. 27	Audit Reports	Ch. 3	3-26, <i>Audit reports*</i>
4.	Feb. 3	Professional Ethics Legal Liability	Ch. 4 Ch. 5	4-22, 4-23 5-17, 5-22, <i>Ethics quiz</i>
5.	Feb. 10	Audit Responsibilities & Objectives Audit Evidence	Ch. 6 Ch. 7	6-31, 6-34, <i>Audit objectives*</i> 7-28, 7-31
6.	Feb. 17	Audit Planning & Materiality Exam Review EXAM #1 – chapters 1-7 (online, exam window Feb. 23-24)	Ch. 8	6-35 JA Tires 8-27, 8-32, 8-34
7.	Feb. 24	Risk of Material Misstatement Internal Control and COSO	Ch. 9 Ch. 11 (345-359)	9-34, <i>Risk problem*</i> APC #1 & 2 due
8.	Mar. 3	Assessing Control Risk Overall Audit Plan & Audit Program Exam Review	Ch. 12 (379-400) Ch. 13	11-23, 11-24, 12-21 13-24, 13-26, APC #3 due
9.	Mar. 10	<i>Spring Break</i> EXAM #2 – Ch. 8-9, 11-13 (online, exam window Mar. 16-17)		<i>Type of test problem*</i> (Ch. 13)
10.	Mar. 17	Sales & Collection Cycle Audit Sampling for Transactions	Ch. 14 Ch. 15	14-30 15-31, 15-32
11.	Mar. 24	Audit Sampling for Transactions Accounts Receivable	Ch. 16	<i>Transaction sampling problem*</i> APC # 4 & 5 due
12.	Mar. 31	Accounts Receivable Audit Sampling for Balances	Ch. 17 (p. 579-590)	16-28, <i>Receivables sampling problem*</i>
13.	Apr. 7	Acquisition and Payment Cycle Exam review EXAM #3 – chapters 14-17 (online, exam window April. 13-14)	Ch. 18	APC #6 Option A due
14.	Apr. 14	Acquisition and Payment Cycle Audit of Cash	Ch. 23	18-19 23-22
15.	Apr. 21	Audit Completion	Ch. 24	APC #7 due
16.	Apr. 28	Exam Review		<i>Subsequent events*</i>
	May. 3-4	FINAL EXAM (online)		

* **Homework problem to be collected.** All homework and case assignments are due on the date indicated in Canvas.