Washington College
Auditing – BUS 342
Lansing Williams, CPA, MBA
Fall Semester, 2012

BUS 340-10: MWF 9:30 – Goldstein 202

Office: Daly 202 Phone: ext. 6569 lwilliams3@washcoll.edu
Office Hours: MW 2:00pm - 4:00pm, by appointment, or stop in.

Accounting Workshop: Daly 106, Thursdays 4:00 pm – 6:00 pm.

Course Description: The study of basic auditing principles, including professional standards, basic auditing concepts, planning an audit, internal controls, sampling tools, fraud, auditing of financial statements and due diligence. By the end of the course the student should have developed a feel for the basic concepts of auditing.

Required Texts:

Auditing & Assurance Services, 8th Edition, with ACL software
Messier. Glover, Prawitt, McGraw-Hill
ISBN: Hardcover 13-978 007 752 0151
Looseleaf 13-978 007 752 4869

Learning Objectives:
1. To build an understanding of audit theory and its application in the audit of financial statements.
2. To build an understanding of steps required to perform both internal and independent audits and detection of fraud.
3. To understand the legal and ethical challenges faced by auditors and what they can do to face those challenges.
4. To strengthen analytical and problem-solving skills

Assessment of Objectives:
1. Upon completion of this course the student will be able to:
    - Apply Generally Accepted auditing Standards
    - Understand an auditor's role in society
    - Identify fraudulent accounting and audit practices

Grading:
The elements of your grade will be as follows:

Exam I:	20%	In Class Quizzes	10%
Exam II:	20%	Homework	15%
Case Study/Paper	20%	Class Participation	15%

A component of all grades will be proper presentation and formatting of material. All audit workpapers have a standard format which is illustrated in the textbook. Work not done in proper format, which, when using Excel, includes fitting worksheets and schedules to a single page will be penalized.

Presentation includes proper grammar, punctuation, and spelling. Each misspelled word found will result in a one percentage point reduction of your grade.

Any financial statement or schedule which does not balance will result in an automatic loss of 15 per cent from your grade on that exercise.

15% of each homework grade will reflect presentation.

Grading Scale:

A: 93-100	B: 83-87	C: 73-77	D: 63-67
A- 90-92	B- 80-82	C-: 70-72	D-: 60-62
B+: 88-89	C+: 78-79	D+: 68-69	F: 0-59

Examinations:
Exams will be given in class. They will be a combination of multiple-choice and fill in the blank questions, and problems. You will be allowed to use your text for reference, however notes will not be permitted. Make-up exams will be considered on a case-by-case basis, however, only students who take the exam during the scheduled class period will be eligible for any curve of scores. See Attendance Policy for further details.

Case Study/Paper:
The Case Study/Paper will be required to be submitted through *turnitin.com.* This is being done to insure students use proper grammar and spelling. Submission details will be distributed when the Case Study/Paper is assigned.

Homework:
Homework problems must be submitted electronically, in Word, Excel, or other electronic format as appropriate, prior to the beginning of class. Bring a copy to class for in-class review. Assignments submitted after the beginning of class will not receive credit.

Homework assignments are due and will be discussed in class as listed in the schedule. These may change at the professor's discretion.

Discussion Assignments:
Discussion assignments will be discussed in class as listed in the schedule. You are expected to be prepared to discuss the assignment in class. The schedule may change at the professor's discretion.

Quizzes:
Unannounced, in class quizzes, will be given periodically to insure that students are keeping up with assigned work. Quizzes may consist of a short problem(s), and/or a written discussion of the assigned exercise(s) for that day. Students missing a quiz will not be permitted to make it up.

Class Participation:
Your class participation grade will consist of, but will not be limited to, having exercises and problems completed prior to class meeting, attendance, and active participation in class discussions.

Attendance Policy:
Class attendance is essential and necessary for successful completion of the course.

Students who are under a doctors care or medical advisory, and unable to attend class should notify the professor either by telephone or email prior to class to be excused from that class.

Students excused for any reason **will remain responsible** for any exercise and homework assignments due the day of the absence and any changes in the course schedule.

Blackboard:
Exercises and Problems, Homework, and Grades will be posted on Blackboard after the work is discussed in class. Other documents such as the syllabus will be posted as well.

Classroom Etiquette:
Being aspiring business professionals, everyone is expected to conduct themselves in a professional manner. Any form of class disruption will not be tolerated. Examples of class disruption include, but are not limited to: arriving late, leaving early, talking during class, sending or receiving emails, text messaging, any use of a mobile/cell device, and eating in class. If a laptop or other electronic device is brought to class, it can only be used for class-related purposes during the class period.

Learning Differences:
Students who are in need of special accommodations because of a documented learning disability or physical disability must submit appropriate documentation to the Assistant Dean for Academic Services. Once approved, the accommodation plan will be developed. It is the student's responsibility to share the accommodation plan with the instructor of the course at least one week PRIOR to the due date for tests or other assignments.

ETHICS:
It is expected that all students will abide by the Washington College Honor Code when completing any assignment or taking any examination. Failure to do so will result in a failing grade.

Required Calculator:
Any calculator capable of performing time value of money functions.

Class Schedule:

Date	**Topics to be Discussed** **Audit teams are listed on next page**
Week 1	Chapter 1: Introduction to Assurance and Financial Statement Auditing
Aug 27	Chapter 1
Aug 29	Chapter 1
Aug 31	Discuss: 1-25, 1-29
Week 2	
Sep 3	**Homework: Team 1 - EarthWear Introduction, ACL Introduction**
Sep 5	Chapter 19: Professional Conduct, Independence, and Quality Control
Sep 7	Chapter 19
Week 3	
Sep 10	Chapter 19
Sep 12	**Homework: Team 2 - EarthWear**
Sep 14	Chapter 2: The Financial Statement Auditing Environment
Week 4	
Sep 17	Chapter 2
Sep 19	ACL Chapter 2 Tutorial Exercises
Sep 21	**Homework: Team 3 - ACL Chap 2, Problems 1, 2, 3**
Week 5	
Sep 24	Chapter 3: Audit Planning, Types of Audit Tests, and Materiality
Sep 26	Chapter 3
Sep 28 – SIFE?	
Week 6	
Oct 1 – SIFE?	Chapter 3
Oct 3	Chapter 3
Oct 5	**Homework: Team 4 - ACL Chap 3, Problems 1, 2, 3; EarthWear, Materiality and Tolerable Misstatement**
Week 7	
Oct 8	
Oct 10	**Exam I – Chapters 1, 19, 2, 3**

Oct 12 – **Fall Break – No Class**

Week 8
Oct 15 Chapter 10: Auditing the Revenue Process
Oct 17
Oct 19 **Homework: Team 5 - ACL Chapter 10, Problem 1**
EarthWear, Accounts Receivable Tests

Week 9
Oct 22 Chapter 11: Auditing the Purchasing Process
Oct 13 **Working Lunch Series, Public Accounting Practitioner and corporate CFO**
Oct 24
Oct 26 **Homework: Team 6 - ACL Chapter 11, Problem 2**

Week 10 **Case Study/Paper details to be announced**
Oct 29 Chapter 16: Auditing Cash and Investments
Oct 31
Nov 2 **Homework: ACL Chapter 16, Problem 1**
EarthWear, Audit of Cash

Week 11
Nov 5 Chapter 12: Auditing the Human Resource Management Process
Nov 7 **Advising Day – No Class**
Nov 9

Week 12
Nov 12 **Homework: ACL Chapter 12, Problem 1**
Nov 14 Chapter 13: Auditing the Inventory Management Process
Nov 16

Week 13
Nov 19
Nov 21 – **Thanksgiving Break**
Nov 23 – **Thanksgiving Break**

Week 14
Nov 26 **Homework: ACL Chapter 13, Problem 2**
Nov 28 Chapter 14: Auditing Property, Plant and Equipment
Nov 30 **Case Study/Paper Due**

Week 15
Dec 3
Dec 5 **Homework: ACL Chapter 14, Problem 1**

Finals Week: Dec 10 – 14

Audit Teams:

Team 1:
Cairo, Hall
Kingsley, Patel
Rubacky, Symes

Team 2:
Cairo, Patel
Kingsley, Symes
Rubacky, Hall

Team 3:
Cairo, Symes
Kingsley, Hall
Rubacky, Patel

Team 4:
Cairo, Kingsley
Hall, Patel
Rubacky, Symes

Team 5:
Cairo, Rubacky
Symes, Hall
Kingsley, Patel

Team 6:
Kingsley, Rubacky
Symes, Patel
Cairo, Hill