

Accounting & MIS 5500H: Auditing Principles & Procedures Fall 2023 Syllabus
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Class Meets:	Tuesday and Thursday, 9:35am – 10:55am, in Gerlach 275		
Office Hours:	Tuesday and Thursday, 2:30pm – 4:00pm, and by appointment via my bookings page		

Course Objectives

The objective of this course is to provide you with a basic understanding of auditing theory and practice. Upon completion of AMIS 5500H, students are expected to:

1. Understand the role of auditing and assurance services in a market economy.
2. Be able to assess the risk of material misstatement, including the assessment of inherent risk and control risk that guides auditors in evidence collection.
3. Be able to obtain and assess audit evidence, such as evidence from risk assessments, tests of controls, and substantive work, that supports the auditors' opinion on whether financial statements are free of material misstatement.
4. Understand ethical, legal, and regulatory considerations in auditing.
5. Develop critical thinking that encompasses higher level learning skills.

These learning outcomes support learning goals 1, 2, and 4 of Fisher's BSBA Curriculum and Learning Goals and learning goals 1, 2, 4, and 5 for Undergraduate Accounting Majors (Appendix).

Course Materials

1. PCAOB Auditing Standards (AS): <https://pcaobus.org/oversight/standards/auditing-standards>.
2. Additional materials (e.g., handouts, readings, cases) available on Canvas.
3. Auditing & Assurance Services, A Systematic Approach, 12th edition. McGraw Hill. Messier, Glover, Prawitt (recommended but not required).

Course Delivery & Attendance

This course is scheduled for in-person instruction. The learning experience involves effort both inside and outside of class. Class sessions are designed to be interactive; each session will involve class discussion and breakout groups (for assignments and cases). **Each student is expected to participate in class discussions and breakout groups.** Although some assignments will not be graded, **participation in all class assignments will be noted.** If you miss class, you are responsible for the material presented that day. Class sessions will not be recorded. Habitual absences (3 or more class sessions) will result in a substantial reduction in professional conduct points.

Grading Policy

Grades will be based on the total points earned in the course:

	Points	Percent
Response Papers (4)	40	8%
Projects (2)	125	25%
Assignments / Cases (5)	100	20%
Exams (3)	225	45%
Professional Conduct	10	2%
TOTAL	500	100%

Final course grades will be based on the +/- grading system. Letter grades will be based on natural breaks within the grading distribution. The overall class GPA will reflect my assessment of the degree to which the class has mastered the material.

I am available to discuss any grading concerns. Specific grading issues should be discussed in person and outside the classroom. Throughout the semester, scores will be available on Canvas. According to the Family Educational Rights and Privacy Act (FERPA), I cannot discuss student grades or related class information with individuals other than the student.

Response Papers

Response papers should address the question posed in Canvas and should include support for your argument or position. Responses are limited to one page in length, 1-inch margins all around, double-spaced and 12 point, Times New Roman font. Remember, space is limited – choose your words carefully. **Late assignments will not be accepted.**

Projects

Project #1 (Group): This assignment involves gaining a deeper understanding of the PCAOB and its role in the regulatory environment. The assignment will include one deliverable – an in-class presentation (in which all members must play a role). The audience for this assignment is the PCAOB Board. **Presentations will occur during class on September 12. Any supporting materials from the presentation (e.g., slide decks, videos) should be provided via Canvas before class begins on September 12.**

Project #2 (Group): This assignment involves conducting a preliminary risk assessment for a new audit client. The assignment will include one deliverable – a memo documenting the risk assessment conducted. The audience for this assignment is the audit partner. **The assignment is due before class begins on October 24.**

Assignments / Cases

Assignments / cases must be completed and turned in via Canvas before class begins:

	<u>Points</u>
Video Assignment	5*
CASE 1: Lehman Brothers	10
CASE 2: Tesla	30
CASE 3: Retro Snow	50
CASE 4: T.I.M.E.	5
TOTAL	100

Grading will be based on sufficiency and appropriateness of responses, writing content and clarity, and conclusions reached. **Late assignments will not be accepted.**

**This assignment, and only this assignment, is due at 11:59PM on the first day of class.*

Examinations

There will be three examinations. The focus of these examinations will be in-class, textbook, and any supplemental readings assigned. The exams will be a combination of multiple choice and short answer/essay questions. Examinations will be held during the regular class meeting time. **All exams are mandatory and will be given only at the scheduled times. If a medical or family emergency or university-sponsored conflict arises, you must contact me before the exam (via phone or e-mail). The final exam will then count as 30% of the final grade (replacing the midterm missed). If an exam is missed without permission, the exam will score a zero. Documentation must support an exam absence. Any doctor's note provided must be dated the day of or the day before the exam.**

Professional Conduct

Taking personal responsibility for your education and career, and behaving with honesty, integrity, and competence are all hallmarks of being a professional. An auditor's failure to behave professionally results in severe sanctions, such as being: (1) fired by your employer or your client; (2) sanctioned or expelled by professional societies; (3) fined, suspended, banned and/or prosecuted criminally by regulatory or governmental bodies; and/or (4) sued by investors, creditors, or clients. Thus, I have included a graded component for professional behavior in this course.

Unprofessional behavior is generally characterized by disrespectful or disruptive actions to the class, other students, the instructor, or any guests. **Examples of unprofessional behavior include: missing class; entering the class late or leaving early; disruptively talking; and being engaged in "other activity" (e.g., watching TikToks or cat videos on YouTube) during class.** If you engage in unprofessional behavior, I first will discuss it with you privately. If that is unsuccessful, then your professional conduct grade will reflect it. Finally, if you engage in particularly egregious or repetitive unprofessional behavior, I will ask you to leave and will submit your case to the proper university officials for review.

Individuals are judged, fairly or not, by how they communicate verbally and in writing (e.g., email). Please adhere to professionalism when writing emails and communicating in class. To the extent it becomes a problem, points will be deducted from the professional conduct portion of your grade.

Other Information

Electronic Equipment and Communication Devices

Laptops or tablets can be used in this class to consult online readings or to take notes. However, any other use of these devices and the use of cell phones is strictly prohibited. Place your phone on mute before you come to class. **Please note that, if a cell phone rings or makes itself known, I reserve the right to answer said device and communicate with the individual on the other end.** This can be highly awkward for you. Violating this policy will negatively affect your participation grade.

Fisher Honor Statement

This course falls under the Fisher College of Business Honor Statement. Intellectual honesty, integrity, and respect for the thoughts of others are critical to the mission of the Fisher School. Your acceptance of admission to Fisher indicates that you embrace and will adhere to the principles in the Student Code of Conduct. Any violation of the Honor Statement diminishes the mission of the Fisher College of Business. I take all alleged violations of the Honor Statement seriously and will pursue all violations according to the procedures outlined in the Code of Conduct. Please read and adhere to this code. Please refer to the Honor Code for more questions regarding the overall expectations of students and the procedures that will be followed if a violation of the Honor Code occurs.

Use of Artificial Intelligence (AI)

Assignments will be turned in online and run through applications with AI-detection algorithms. Because AI uses previously created content, AI offers users plagiarized and often incomplete answers. The use of content without proper citations is a form of plagiarism. Using AI-generated content in any deliverables will be considered academic misconduct.

Academic Misconduct

Academic misconduct will not be tolerated. According to Faculty Rule 3335-5-487, all suspected cases of academic misconduct will be reported to the Committee on Academic Misconduct. It is the responsibility of the Committee on Academic Misconduct to investigate or establish procedures for the investigation of all reported cases of student academic misconduct. The term “academic misconduct” includes all forms of student academic misconduct wherever committed; illustrated by, but not limited to, cases of plagiarism and dishonest practices in connection with examinations. For more information, see the Code of Student Conduct (<http://studentlife.osu.edu/csc/>).

To repeat, a student who is determined to have given or received aid on any exam or graded assignment will be deemed to have committed an act of academic dishonesty and the case **will be referred to the appropriate university officials. The student will receive a zero on the assignment/exam, a zero for participation in the course, and the possibility of a zero in the course.**

Mental Health

As a student you may experience a range of issues that can cause barriers to learning, such as strained relationships, increased anxiety, alcohol/drug problems, feeling down, difficulty concentrating and/or lack of motivation. These mental health concerns or stressful events may lead to diminished academic performance or reduce a student's ability to participate in daily activities. The Ohio State University offers services to assist you with addressing these and other concerns you may be experiencing. If you or someone you know are suffering from any of the aforementioned conditions, you can learn more about the broad range of confidential mental health services available on campus via the Office of Student Life's Counseling and Consultation Service (CCS) by visiting ccs.osu.edu or calling 614-292-5766. CCS is located on the 4th Floor of the Younkin Success Center and 10th Floor of Lincoln Tower. You can reach an on-call counselor when CCS is closed at 614-292-5766 and 24 hour emergency help is also available 24/7 by dialing 988 to reach the Suicide and Crisis Lifeline.

Students with Disabilities

The university strives to maintain a healthy and accessible environment to support student learning in and out of the classroom. If you anticipate or experience academic barriers based on your disability (including mental health, chronic, or temporary medical conditions), please let me know immediately so that we can privately discuss options. To establish reasonable accommodations, I may request that you register with Student Life Disability Services. After registration, make arrangements with me as soon as possible to discuss your accommodations so that they may be implemented in a timely fashion.

If you are isolating while waiting for a COVID-19 test result, please let me know immediately. Those testing positive for COVID-19 should refer to the [Safe and Healthy Buckeyes site](https://safeandhealthy.buckeyes.edu) for resources. Beyond five days of the required COVID-19 isolation period, I may rely on Student Life Disability Services to establish further reasonable accommodations. You can connect with them at sllds@osu.edu; 614-292-3307; or sllds.osu.edu.

Course Technology

For help with password, university email, Carmen, or any other technology issues, questions, or requests, contact the Ohio State IT Service Desk. Standard support hours are available (ocio.osu.edu/help/hours). Support for urgent issues is available 24/7. Required technology for this course includes Carmen access.

Detailed Course Outline

The outline that follows is *tentative*. *Changes will be announced beforehand in class or via email*, so you will have ample notice. *Exam dates are firm and will not be changed*.

AMIS 5500H: Auditing Principles & Procedures				
Date	Topic	Textbook Section	Required Reading	Assignment Due
8/22	Overview of Auditing			Video Assignment
8/24	The Demand for Auditing	Ch. 1	AS 1001; AS 1101; Akerlof (1970); Minnis (2011)	RESPONSE 1
8/29	Earnings Management		Dichev et al. (2013)	
8/31	Integrity and Independence	Ch. 19 (pp.640-654)	AS 1005; AS 1010; AS 1015; AS 1110	CASE 1
9/5	Audit Reports	Ch. 18	AS 3101; AS 3105; AS 3110	
9/7	Project 1 Presentations			PROJECT 1
9/12	Regulatory Environment	Ch. 2	Lennox and Pittman (2010); Letter to Gensler	RESPONSE 2
9/14	Professional Skepticism	Appendix A	CAQ Professional Judgment Resource	
9/19	Exam I			
9/21	Audit Planning and Materiality	Ch. 3	General Motors; AS 1201; AS 1205; AS 1210; AS 2101; AS 2105	
9/26	Risk Assessment	Ch. 4	AS 2110; AS 2301	RESPONSE 3
9/28	Risk Assessment	Ch. 4	AS 2110; AS 2301	
10/3	Audit Risk Model	Ch. 4	AS 1101; AS 2110; AS 2301	
10/5	Fraud Risk	Ch. 4	AS 2401	CASE 2
10/10	Fraud Risk	Ch. 4	AS 2401; Toshiba	
10/12	FALL BREAK			

AMIS 5500H: Auditing Principles & Procedures (continued)				
Date	Topic	Textbook Section	Required Reading	Assignment Due
10/17	Audit Evidence	Ch. 5	Allen et al. 2023; AS 1105; AS 1210; AS 1215; AS 2605	
10/19	PROJECT 2 WORK DAY			
10/24	Analytical Procedures	Ch. 5 Adv. Module	AS 2301; AS 2305	PROJECT 2
10/26	Internal Control	Ch. 6 & 7	FTX; AS 2201; AS 2301; AS 1305	
10/31	Exam II			
11/2	Audit Sampling	Ch. 8 & Ch. 9	AS 2315	
11/7	Audit Sampling	Ch. 8 & Ch. 9	AS 2315	RESPONSE 4
11/9	Audit Sampling	Ch. 8 & Ch. 9	AS 2315	
11/14	Auditing the Revenue Cycle	Ch. 10	Wealthy Watches; AS 2310	
11/16	Auditing Purchasing & Inventory	Ch. 13	Bryan's Amazing Animals; AS 2510	CASE 3
11/21	Concluding the Audit	Ch. 17	AS 1220; AS 1301; AS 2415; AS 2505; AS 2801; AS 2805; AS 2810; AS 2815; AS 2820; AS 2905	
11/23	THANKSGIVING BREAK			
11/28	T.I.M.E.			CASE 4
11/30	Ethics and Professional Conduct	Ch. 19 (pp.628-635)	KPMG Case; AS 1001; AS 1015; AS 1110	
12/5	Exam III			

APPENDIX A: Fisher College of Business Learning Goals

Learning Goals for Fisher College Degree Programs Bachelor of Science in Business Administration (BSBA)

Learning Goal 1: Graduates possess strong analytical and problem-solving skills, enabling them to identify and critically assess problems facing contemporary businesses.

Learning Goal 2: Graduates demonstrate in-depth knowledge of at least one functional area of a business.

Learning Goal 3: Graduates possess a global perspective and can critically evaluate the international context a contemporary business operates in.

Learning Goal 4: Graduates can identify and assess ethical issues surrounding business decisions.

Learning Goal 5: Graduates are able to work effectively in a team-based environment.

Learning Goal 6: Graduates demonstrate professional deportment and effective oral and written communication skills.

Learning Goals for Fisher College Degree Programs Bachelor of Science in Business Administration (BSBA) – Accounting

Learning Goal 1: Graduates will have a working knowledge of accounting theories, concepts and methods and be able to explain how accounting is done and why it is done.

Learning Goal 2: Graduates will be able to solve problems by applying fundamental principles to a variety of issues.

Learning Goal 3: Graduates will exhibit the oral and written communication skills needed by successful accounting professionals.

Learning Goal 4: Graduates will be able to research issues and business decision problems by finding, analyzing, and interpreting accounting, tax, and other financial data.

Learning Goal 5: Graduates will recognize ethical dimensions in accounting issues and practice in order to become responsible professionals and citizens.