COURSE MATERIALS

Journal Articles: See Reading List

Other References: AICPA, Codification of Statements on Auditing Standards.
Any good basic Auditing book (e.g. Arens; Robertson)

PREREQUISITES

Participants in this seminar are assumed to have had basic accounting (financial and managerial), auditing and some research methodology. If this is not the case a special supplementary reading list will be prepared with the instructor

ACADEMIC INTEGRITY

I do NOT tolerate cheating. Students are responsible for understanding the RU Academic Integrity Policy (http://academicintegrity.rutgers.edu/).

I will strongly enforce this Policy and pursue all violations. On all examinations and assignments, students must sign the RU Honor Pledge, which states, “On my honor, I have neither received nor given any unauthorized assistance on this examination or assignment.” I will screen all written assignments through SafeAssign or Turnitin, plagiarism detection services that compare the work against a large database of past work. Don’t let cheating destroy your hard-earned opportunity to learn. See business.rutgers.edu/ai for more details.

REQUIREMENTS

Classroom participation, paper presentations, mini-project, and a final exam will serve as the main medium of instruction in this course. Students are expected to have read all required assignments and lead the discussion in the papers they are assigned to during the semester.
Each research paper will have a “discussant” assigned who will be responsible for presenting the paper as if he/she was the author and defend it as well as analyze it. Discussants are to prepare a written critique and pass it along to the other class participants and the instructor 2 days prior or at the beginning of the class. The discussant should also perform a literature search of related papers and be able to present it in class. Other participants should be prepared for the discussion as they may be called to support (or replace) the discussant.

Seminar grade will be assigned based on the discussions presented, on the participation in the seminar, on the mini-project, and on the final exam which will be in the form and content of a field exam.

All students are required also to participate in the Accounting Research Forum being held. Students are expected to prepare and ask questions to the presenter and also hand in these questions to the instructor.

The mini-project is of the form of a term-paper and students may choose to replicate an experiment, examine in the research format a particular audit issue, use an empirical database or any other relevant project approved by the instructor. The objective of the mini-project is to provide the participants with an experience in audit research. The mini-project is due the last day of classes and projects not received at the beginning of that class will be assigned a failing grade.

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**COURSE SCHEDULE**

**Course Outline**

**Legend**

**Aud.** Auditing: A Journal of Practice and Theory  
**JAR** Journal of Accounting Research  
**TAR** The Accounting Review  
**JofA** Journal of Accountancy  
**AOS** Accounting, Organization & Society  
**JAL** Journal of Accounting Literature  
**JAE** Journal of Accounting and Economics  
**JAFF** Journal of Accounting, Auditing, and Finance

*** Required Readings Prior to class  
** Strongly Recommended Readings for Research  
* Recommended Readings for Research  

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Introduction

AICPA ASEC mapping document


2.

Audit Quality


Other Readings


3.

**Continuous Audit**


4.

Behavioral/Judgment Issues


Other Readings


5.

Analytic Methods for Audit


Other readings

* Audit analytics mapping Framework, AICPA ASEC committee.

6.

Internal Controls: Audit Analytics and detecting Internal controls


Other readings


7. Other reading


Other reading


* Luehlfling, Ms, Copley, Pa, An Examination Of The Relationship Between Audit-Related Risks And The Second Partner Review, Wi, 95, 43, 50, Jaaf

8. Audit Evidence


Other readings


Other readings


Wilson, Ac, Weld, Lg, Regression As An Analytical Procedure: Are Adjustments For Autocorrelation Really Necessary?, Wi, 97, 67, 82, Jaaf


Audit Opinion


Auditor Skepticism


Other readings


Melumad, Nd, Ziv, A, A Theoretical Examination Of The Market Reaction To Auditors Qualifications, Au, 97, 239, 256, Journal of Accounting Research


II.

Other readings


Other readings


MATERIALITY

*** Legoria, Melendrez & Reynolds 2013 “Qualitative Audit Materiality and Earnings Management” June 2013, Vol. 18, Issue 2, pp. 414 – 442


Other readings

* Turner, JI., The Impact Of Materiality Decisions On Financial Ratios: A Computer Simulation, Sp, 97, 125, 147, JAAf


Analytic Methods in Audit

Other readings

** visit http://raw.rutgers.edu/pcaob and choose 2 papers to read...some will be asked to present and discuss... no powerpoints

12.

Audit Practice Research


**Christensen, Brant E., Randal J. Elder, and Steven M. Glover.** "Behind the numbers: Insights into large audit firm sampling policies." *Accounting Horizons* 29.1 (2014): 61-81. (read the document “AU Section 350 Audit Sampling” as supplementary material)

**Other readings**


Bell Beddard  Kris Risk Client Acceptance

Winograd    Audit Practices at PWC


Dalton, Dr. Hill, J., The Threat Of Litigation And Voluntary Partner/Manager Turnover In Big Six Firms, Wi, 97, 379, 413, Jaap


Narayanan, Vg., , Moral Hazard In Repeated Professional Partnerships, Sp, 95, 895, 917, Car

Moreland, Ka, , Criticisms Of Auditors And The Association Between Earning And Returns Of Client Firms, Sp, 95, 94, 104, Aud

13. ***

**Other readings**
Dye, R. A., Incorporation And The Audit Market, 02, 95, 75, 114, Jae

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**Audit Committee***


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**Expert Systems / usage of technology***

**Other readings**


Fischer, M., "Real-Izing The Benefits Of New Technologies As A Source Of Audit Evidence: An Interpretive Field Study, 02, 96, 219, 242, Aos

14. Term Project Presentation

15. Final Exam

POTENTIAL EXTRA TOPICS AND READING

Non-Audit services


Firth, M The Provision Of Nonaudit Services By Accounting Firms To Their Audit Clients, Summer 1997 page 1 Contemporary Accounting Research.

Other readings
Wallage, “Assurance on Sustainability Reporting,”

Legal & Org. Issues

Krishnan, J, Krishnan, J, Litigation Risk And Auditor Resignations, 10, 97, 539, 560, Tar


Other readings


**Internal Audit**


**Other readings**


**Statistical Auditing**

What is sampling in the age of big data?


**Optional readings**

VL chapters 7, 8, 9 & 10.

**Other readings**

Johnstone, Dj, , Statistically Incoherent Hypothesis Testing In Auditing, Au, 95, 156, 175, Aud

1 Note the Schipper discussion.
Fraud & Cooking the Books


Other readings


Audit Fee / Pricing

Iyer ,Vm, Iyer ,Gs, Effect Of Big 8 Mergers On Audit Fees: Evidence From The United Kingdom, Fa, 96, 112, 132, Aud


Audit Practice

Other readings

Street, Large Firms Envision Worldwide Convergence of Standards, Accounting Horizons, September 2002.

Hackenbrack, Ke, Knechel, Wr, Resource Allocation Decisions In Audit Engagements, Fa, 97, 481, 499, Car


**Auditor Change**


Other readings

**Audit Standards**


**Auditor independence**

Sikka, P, Willmott, Hc, "The Power Of ""Independence"": Defending And Extending The Jurisdiction Of Accounting In The United Kingdom", 08, 95, 547, 581, Aos

**Other Readings**

Surveys


SUPPORT SERVICES


[Rutgers University-New Brunswick ODS phone (848)445-6800 or email dsoffice@echo.rutgers.edu]

[Rutgers University-Newark ODS phone (973)353-5375 or email ods@newark.rutgers.edu]

If you are pregnant, the Office of Title IX and ADA Compliance is available to assist with any concerns or potential accommodations related to pregnancy.

[Rutgers University-New Brunswick Title IX Coordinator phone (848)932-8200 or email jackie.moran@rutgers.edu]

[Rutgers University-Newark Office of Title IX and ADA Compliance phone (973)353-1906 or email TitleIX@newark.rutgers.edu]
If you seek **religious accommodations**, the Office of the Dean of Students is available to verify absences for religious observance, as needed.

[Rutgers University-New Brunswick Dean of Students phone (848)932-2300 or email deanofstudents@echo.rutgers.edu]

[Rutgers University-Newark Dean of Students phone (973)353-5063 or email DeanofStudents@newark.rutgers.edu]

If you have experienced any form of **gender or sex-based discrimination or harassment**, including sexual assault, sexual harassment, relationship violence, or stalking, the Office for Violence Prevention and Victim Assistance provides help and support. More information can be found at [http://vpva.rutgers.edu/](http://vpva.rutgers.edu/).

[Rutgers University-New Brunswick incident report link: http://studentconduct.rutgers.edu/concern/. You may contact the Office for Violence Prevention and Victim Assistance at (848)932-1181]

[Rutgers University-Newark incident report link: https://cm.maxient.com/reportingform.php?RutgersUniv&layout_id=7 . You may also contact the Office of Title IX and ADA Compliance at (973)353-1906 or email TitleIX@newark.rutgers.edu. If you wish to speak with a staff member who is confidential and does not have a reporting responsibility, you may contact the Office for Violence Prevention and Victim Assistance at (973)353-1918 or email run.vpva@rutgers.edu]

If students who have experienced a temporary condition or injury that is adversely affecting their ability to fully participate, you should submit a request via [https://temporaryconditions.rutgers.edu](https://temporaryconditions.rutgers.edu).

If you are in need of mental health services, please use our readily available services.

[Rutgers University-Newark Counseling Center: http://counseling.newark.rutgers.edu/]

[Rutgers Counseling and Psychological Services–New Brunswick: http://rhscaps.rutgers.edu/]

If you are in need of physical health services, please use our readily available services.
If you are in need of legal services, please use our readily available services: http://rusls.rutgers.edu/

Students experiencing difficulty in courses due to English as a second language (ESL) should contact the Program in American Language Studies for supports.

[Rutgers–Newark: PALS@newark.rutgers.edu]

[Rutgers–New Brunswick: eslpals@english.rutgers.edu]

If you are in need of additional academic assistance, please use our readily available services.

[Rutgers University-Newark Learning Center: http://www.ncas.rutgers.edu/rlc]

[Rutgers University-Newark Writing Center: http://www.ncas.rutgers.edu/writingcenter]

[Rutgers University-New Brunswick Learning Center: https://rlc.rutgers.edu/]

[Optional items that many faculty include:

- Students must sign, date, and return a statement declaring that they understand the RU Academic Integrity Policy.

- Students must sign, date, and return a statement declaring that they understand this syllabus.]