

**Accounting**  
**Course Number: 33:010:415**  
**Course Title: Concepts of Auditing**

## **COURSE DESCRIPTION**

The course is essential to your major in Accounting. You cannot become a CPA without audit experience. The course covers an introduction to the principles and concepts of the audit, which is one of the services offered by the accounting profession. Primary emphasis is placed on:

- The auditing standards accountants are required to abide by when auditing financial statements
- The role of the CPA/auditor in gathering audit evidence
- Audit procedures (including analytical review procedures)
- Reporting
- The CPA/auditor's ethical and legal responsibilities
- The role of the Securities and Exchange Commission and other agencies.

Audit topics covered in this class also include sampling, internal control issues, and audit programs.

The course will generally consist of both lectures and discussions regarding auditing concepts.

I will be giving “real-life” examples relating to many concepts and will ask questions of the class for their thoughts on a subject. **(So it is important that you attend class to get the most out of the course)** This experience will assist you in understanding the subject matter so when you intern and/or work full time for a public accounting firm you will understand what your superiors are asking you to do.

Homework will be assigned related to each chapter and will count toward your overall grade. The homework should be done diligently or you will not learn the material to your utmost capability. **Homework should be done on your own.**

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## **COURSE MATERIALS**

Textbook: Whittington and Pany, Principles of Auditing and Other Assurance Services, 21st edition. You **MUST** also purchase CONNECT (as a package with the text or separately) All students will need to register for CONNECT at the designated section specific URL below.

You have three options to purchase the learning materials.

### **OPTION A. PRINT**

The Rutgers Bookstores (url is Rutgers.bncollge.com) are selling a package of the loose-leaf, binder ready version of the book packaged with a CONNECT code

**NEW ISBN: 9781264097135**

I believe this will be a great value at the Bookstore.

#### **OPTION B. CONNECT CODE**

The Rutgers bookstores are selling the CONNECT only code. The Connect Access Card only ISBN is **9781260299366**

#### **OPTION C. ALL DIGITAL**

You can purchase access to CONNECT directly from McGraw Hill from the section specific URL which includes access to the eBook and CONNECT

**NOTE –RUTGERS MATCHES PRICES OF ANY OTHER SOURCE FOR THESE MATERIALS.**

#### **How to register for CONNECT:**

Copy and paste your section specific URL above into a new browser window.

Click “register now “

Enter your email address. If you’ve used CONNECT previously or concurrently in another `course use that same e-mail.

If you purchased the package (option A) or the CONNECT code (option B) enter the 20 digit # in the “ I have a registration Code “ area and complete your registration. You’ll have access to the eBook and CONNECT for 540 days.

You can also purchase access to the all-digital (option C) option by selecting “ buy online”. This provides access to eBook and CONNECT for 540 days.

Once you’re “registered for CONNECT” you’ll see the option to purchase a loose-leaf, binder ready version of the print book directly from McGraw-Hill.

If you are not sure you intend to stay in the course, you select “**start courtesy access**” option. This provides access to the eBook and CONNECT assignments for 2 weeks, at the end of which you’ll need to enter the 20 digit access code from the CONNECT code purchase (Option A or B) or purchase access directly from the website.

**If you are not sure you intend to stay in the course, select “start courtesy access” only after the semester begins.**

If you encounter any issues registering for CONNECT you’ll need to contact McGraw-Hill support **<http://mpss.mhhe.com/>**

Check Canvas (canvas.rutgers.edu) and your official Rutgers email account regularly for ANNOUNCEMENTS and posting of COURSE DOCUMENTS (This will include slides related to the lectures)

#### **COURSE WEBSITE --CANVAS**

Course announcements, the syllabus, announcements regarding homework assignments, power-point presentations, materials and other information will be posted on the course’s Canvas web site. This site can be accessed at: [www.canvas.rutgers.edu](http://www.canvas.rutgers.edu). To login please use your Rutgers NETID and password.

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## CLICKERS

Turning Point Clickers will be used in this class as “open polling” so bring your clickers to class. If you do not have one, perhaps you can borrow one. You do **not** have to purchase a clicker. If you do not have a clicker, I will ask you the question directly. A license is not required as I just use open polling and do not need to match students with Responses.

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## LEARNING GOALS AND OBJECTIVES

By the end of the course, a student who studied diligently should be ready to pass the auditing section of the CPA exam with minimal additional review. Addressing the Critical Thinking Learning Skills Goal and the Ethics Learning Goal of the Rutgers Business School, a student should be able to:

- Understand the meaning of independence
- Formulate an audit plan
- Understand internal control
- Understand analytical techniques
- Identify and assess the risks of material misstatement
- Identify relevant assertions related to an audit of financial statements
- Know how to perform a test of controls
- Know key substantive tests related to key areas of a financial statement
- Know which audit report is relevant in various situations

Students develop these skills and knowledge through the following course activities and assignments:

### **Textbook:**

**Students should read each chapter of the textbook as it is assigned.**

### **Lectures:**

Lectures of each chapter are supported by PowerPoint slides. The instructor encourages questions and discussions during class. Students must be attentive and interactive during class. The lectures will cover topics addressing auditing (and other assurance) concepts and regulations, as well as reporting requirements.

### **Homework:**

Students **MUST** do the homework assignments to become adept at the topics learned in the lectures and from reading the textbook. The homework should be done as soon as it is assigned. **HOMEWORK SHOULD BE DONE ON YOUR OWN.**

### **Exams and Paper:**

A midterm exam and a mostly comprehensive final exam will test the student’s knowledge. In addition, a short paper will determine if the student has understanding of the concepts learned during the semester

Lectures only cover highlights of the chapters. The chapters in the text contain more details and examples and any information from the chapters could be included on the midterm and final exam. The

combination of the lectures, class discussion, the information in the text, as well as completion of homework are essential to obtaining a full understanding of auditing concepts. The illustrative audit case, Keystone Computers and Networks, Inc. has been incorporated in selected homework assignments and/or class discussions. In addition, there may be other cases that you may be required to read and discuss your thoughts in class, or submit your thoughts in writing.

All homework questions will be noted in CONNECT---this will include questions that are computer graded as well as designated questions from the back of the chapter that will be discussed in class.

Deadlines are important. **NO credit will be granted for late work.** I give you adequate time to complete the CONNECT homework

Auditing is about making judgments. Auditing is about brainstorming and discussing issues with your colleagues. Accordingly, there will be class/group discussions as part of most classes. You will be required to familiarize yourself with certain questions in the text (which will be assigned before a certain class) that will enable you to participate in certain class/group discussions. As part of my lecture, I will also be asking questions of the class. My objective is not only to teach auditing, but to have my students discuss auditing concepts.

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## PREREQUISITES

You must have completed Intermediate Accounting I to take this class. In order to audit, you have to understand accounting concepts. The more accounting experience a student has, the more apt the student will understand auditing concepts.

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## 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](http://business.rutgers.edu/ai) for more details.

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## ATTENDANCE/CLASS PARTICIPATION, PREPARATION POLICY AND CLASSROOM CONDUCT

Expect me to attend all class sessions. I expect the same of you. If I am to be absent, my department chair or I will send you notice via email and Canvas as far in advance as possible. If you are to be absent, report your absence in advance at <https://sims.rutgers.edu/ssra/>. **You will only be excused (i.e. not counted as absent) for religious observance, Rutgers approved activity, family emergency/death**

**and EXTENDED absence due to illness.** Rutgers approved activities include academic competitions and sporting events. Networking events **do not** count as Rutgers approved activity. For extended illness or personal issues you will need to provide me full details and supporting documentation within 5 days of your absence.

**IF YOU MISS AN EXAM, YOU MUST SEE THE DEAN OF STUDENTS WHO WILL REQUIRE EVIDENCE SUPPORTING YOUR ABSENCE.**

**ON A DAY OF AN EXAM, IF YOU ARE ILL AND /OR UNABLE TO TAKE THE EXAM, I WANT AN EMAIL BEFORE THE EXAM TIME AS TO THE GENERAL REASON (ILL, DEATH IN FAMILY, ETC.) AND YOU THEN MUST SEE THE DEAN OF STUDENTS (See Make-up provisions below)**

Needing time to study for another class is NOT an excused absence. “I was not aware the exam was today” is NOT an excused absence.

If you have personal problems or extended absence, contact the Dean of Students office

**BE PROACTIVE—IF YOU HAVE AN ISSUE, LET THE DEAN OF STUDENTS KNOW WHEN THE ISSUE ORIGINATES—NOT TWO WEEKS AFTER THE ISSUE ORIGINATED --NOT AFTER AN EXAM ON WHICH YOU DID POORLY – NOT AFTER YOU RECEIVE YOUR FINAL GRADE.**

I start classes on time so I expect you to arrive on time for each class session. If you are going to be tardy, then e-mail the reason for the tardiness.

I also expect you to remain for the entirety of each class session. If you are going to leave early, then please e-mail me in advance of the class. If the excuse is not approved by me, you will be counted absent.

For weather emergencies, consult the campus home page. If the campus is open, class will be held.

**I will be taking attendance –I believe poor attendance leads to poor student performance**

Laptops/tablets may be used in class for taking notes and accessing course materials during class. Please do not use these devices for other purposes, as they affect your comprehension and also distract other students.

Cell phones should be turned off and put away during class.

As discussed above I expect you to complete all required reading and assignments. You cannot learn if you are not prepared. The **minimum** expectation is that for each 3-hours of class session, you have prepared by studying for at least twice as many hours.

I expect you to stay focused and involved in class discussions. You cannot learn if you are not paying attention.

**I will provide name cards that I expect you to have at every class.** If you do not have your name card, expect to be called upon.

**I expect each of you to be prepared for any question I ask related to a preassigned case or**

**homework problem.** If you are not prepared, you will probably be embarrassed if I call on you.

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## EXAM DATES AND POLICIES

There are TWO exams in this course:

Midterm Exam: (Covers Chapters 1,2,3,4,5,6,7,17)

Final Exam: TBA ---The Final Exam will include Chapters 5 through 19 (except Chapter 8)

There will be no make ups for missed exams without a qualifying excuse. If you have a qualifying excuse, a make-up date will be arranged. If you do not have a qualifying excuse, you will receive a zero for any missed assignments or exams.

(Note— I did not have time to study is NOT an excused absence.

Not knowing the date and time of the exam is NOT an excuse)

See Attendance Section above regarding needing excuse from the Dean of Students.

**IF YOU MISS AN EXAM, YOU MUST SEE THE DEAN OF STUDENTS WHO WILL REQUIRE EVIDENCE SUPPORTING YOUR ABSENCE.  
ON A DAY OF AN EXAM, IF YOU ARE ILL AND /OR UNABLE TO TAKE THE EXAM, I WANT AN EMAIL BEFORE THE EXAM TIME AS TO THE GENERAL REASON (ILL, DEATH IN FAMILY, ETC.) AND YOU THEN MUST SEE THE DEAN OF STUDENTS**

During exams, the following rules apply:

If you have a disability that influences testing procedures, provide me an official letter from

The Office of Disability Services at the start of the semester.

No cell phones or other electronics are allowed near your desk.

You must show a valid Rutgers photo ID to take the exam.

If possible, alternate seating; do not sit next to another student or in your usual seat.

Use the restroom prior to the start of the exam

The honor pledge should be followed and if your exam has a place where you sign the pledge, your exam will not be accepted unless you sign the Honor Pledge.

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## GRADING POLICY

Course grades are determined as follows:

Grade percentage allocation	Percent
Midterm	30.0
Final Exam	40.0
Homework <b>do not miss the due dates. They all count. I do not drop any</b>	15.0 <b>(percentage of points earned over total points)</b>
Short paper <b>(will be assigned after chapter 7)</b>	<u>15.0</u>
Total	100.0

**I do NOT give extra credit assignments.**

**For the short paper—I will be using a plagiarism software so if any phrase or concept looks like it originated from somewhere else, I will challenge the student on whether it is the students own work.-**

**HOMEWORK SHOULD BE DONE ON YOUR OWN.**

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**Grade distribution:**

The **anticipated** grade distribution is:

A	90 to 100
B+	85 to less than 90
B	80 to less than 85
C+	75 to less than 80
C	70 to less than 75
D	60 to less than 70
F	below 60

Grade posting: Midterm grades will be posted in Canvas. Final grades will be posted in REGIS.

I return exams at the end of a class, at which time you can see what you got wrong.

With respect to the short paper, I do not pre-grade.

Warning grades will either be posted in REGIS or by email.

NOTE – getting a certain grade to keep your job offer or graduate with your class is your responsibility – not mine. Do not expect me to give you a better grade than you deserve. Work hard – do not assume you are getting a passing grade

Your final grade is not subject to negotiation. If you feel I have made an error, submit your written argument to me within one week of receiving your final grade. Clarify the precise error I made and provide all supporting documentation. If I have made an error, I will gladly correct it. But I will adjust grades only if I have made an error.

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**COURSE SCHEDULE**

**The chapters in the textbook are also REQUIRED reading. You will perform better if you read the chapter in conjunction with the lecture**

**Week #**

Week 1	Chapter 1: Role of Public Accountant in the American Economy
Week 1	Chapter 2: Professional Standards
Week 2	Chapter 17: Auditors' Reports
Week 3	Chapter 3: Professional Ethics

Week 3	Chapter 4: Legal Liability of CPAs
Week 4	Chapter 5: Audit Evidence and Documentation
Week 5	Chapter 6: Audit Planning, Understanding the Client, Assessing Risks and Responding
Week 6	Chapter 7: Internal Control
Week 7	Chapter 8: Consideration of Internal Control in an Information Technology Environment (This Chapter will not be discussed in class but will be required reading and Homework will be assigned) (Chapter 8 will NOT be included on the Midterm Exam or the Final Exam)
Week 7	Chapter 18: Integrated Audits of Public Companies
Week 7	Chapter 9: Audit Sampling
Week 8	Chapter 9: Audit Sampling
Week 8	<b>MIDTERM</b>
Week 9	<b>NO CLASS</b>
Week 10	Chapter 10: Cash and Financial Instruments
Week 10	Chapter 11: Accounts and Notes Receivable & Revenue
Week 11	Chapter 11: Accounts and Notes Receivable & Revenue
Week 11	Chapter 12: Inventories and Cost of Goods Sold
Week 12	Chapter 12: Inventories and Cost of Goods Sold
Week 12	Chapter 13: Property Plant and Equipment, Depreciation and Depletion
End of Week 13	<b>Due date of Short Paper</b>
Week 13	Chapter 14: Accounts Payable and Other Liabilities.
Week 13	Chapter 15: Debt and Equity Capital
Week 14	Chapter 16: Auditing Operations & Completing the Audit

Week 15	Chapters 19 & 20: Additional Assurance Services: Historical & Other Information (ONLY Certain Key Topics)
Week 15	Final Review of the Semester (and catch up on topics if we fell behind)
TBA	Final Exam

**Note: Certain items in this syllabus are subject to change during the semester**

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## SUPPORT SERVICES

If you need accommodation for a *disability*, obtain a Letter of Accommodation from the Office of Disability Services. The Office of Disability Services at Rutgers, The State University of New Jersey, provides student-centered and student-inclusive programming in compliance with the Americans with Disabilities Act of 1990, the Americans with Disabilities Act Amendments of 2008, Section 504 of the Rehabilitation Act of 1973, Section 508 of the Rehabilitation Act of 1998, and the New Jersey Law Against Discrimination. More information can be found at [ods.rutgers.edu](http://ods.rutgers.edu).

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

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

[Rutgers University-Newark Office of Title IX and ADA Compliance phone (973)353-1906 or email [TitleIX@newark.rutgers.edu](mailto: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](mailto:deanofstudents@echo.rutgers.edu)]

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

[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](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 at [TitleIX@newark.rutgers.edu](mailto: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](mailto: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> .

If you are a military *veteran* or are on active military duty, you can obtain support through the Office of Veteran and Military Programs and Services. <http://veterans.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.

[Rutgers Health Services – Newark: <http://health.newark.rutgers.edu/>]

[Rutgers Health Services – New Brunswick: <http://health.rutgers.edu/>]

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](mailto:PALS@newark.rutgers.edu)]

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