

ACG 6697 – Information Systems Assurance

Fall 2016, Module 1

Instructor: Dr. David Reppenhagen, CPA

Instructor Office Hours: Gerson 331 Tuesdays & Thursdays 9 (4:05 – 4:55pm)

Contact Information: davidr@ufl.edu (use only for individual-specific issues)

Questions: Generally post questions to e-Learning (Canvas) Discussion forums, especially questions related to course content or coverage on exams/cases, rather than emailing me directly. Be sure to check the forums FIRST before posting a question to see if it has already been addressed.

Class website: lss.at.ufl.edu (e-Learning Canvas) – Please check often as announcements and materials will be posted to this site on a regular basis. I will check the discussion forum frequently.

Credits: 2

Class Meeting Times:

Section	Days	Periods	Room
1B22	TR (Tuesdays, Thursdays)	5-6	Gerson 121
1B38	TR (Tuesdays, Thursdays)	7-8	Gerson 121

Objectives: We shall examine information systems from the perspective of: (1) the risks that they pose to financial reporting objectives, (2) controlling these risks, (3) obtaining assurance on the controls, and (4) using the systems as audit tools. From the first, second, and third perspectives, we are concerned with the control environment and the effective implementation of general and application controls to computer systems, including networks and client/server systems, operating systems, database management systems, enterprise resource planning systems, and applications running on these systems. From the fourth perspective, we are concerned with substantive tests and tests of controls using software applications to retrieve and analyze computerized data. Both of these sets of perspectives require a thorough understanding of the concepts governing the audit of internal controls over financial reporting.

Class: Class will be a combination of lecture, discussion and in-class assignments. Students are expected to review the assigned material before the related topics are discussed in class. The PowerPoint slides for every lecture will be available on the class web site prior to the class session. You are encouraged to download the slides before class and use them for taking notes. Information missing from these slides is obtained by reading your textbook and attending class.

As the Fisher School is a professional school, I expect professional behavior in my class. This means that everyone should arrive with enough time to be ready for class to start at the designated time and that there will not be disruptions during class. Students should come to class ready to engage in the material of the day. Use of laptops is permitted in class but their use must be focused on engaging in the material of the day. *Use of cell phones is prohibited.* Coming and

going during class should be virtually non-existent. While there are circumstances that are exceptions to this, I expect them to be rare.

Required Materials: The following is required for this course:

1. *Information Technology Auditing*, 3rd ed. by James Hall. Cengage. (HALL)
2. *ACL Software (Full Educational version) is required and is included with the textbook although maybe only a NEW version of the textbook?*
3. *E-Learning Canvas* site (lss.at.ufl.edu)

Supplemental Materials: These are not required but may be helpful (#1 is likely more helpful than #2).

1. *Gleim CPA Review: Business Environment and Concepts* by Irvin Gleim. 2014 edition.
2. *Gleim CPA Review: Auditing and attestation* by Irvin Gleim. 2014 edition.

I have placed one copy of the Hall textbook on course reserves at Library West (<https://ares.uflib.ufl.edu/>). It is available for a 2-hour checkout.

Note that a potentially less expensive alternative is to purchase electronic versions of the textbook on www.coursesmart.com (now www.vitalsource.com). Keep in mind there is no buyback with this option and I don't know how e-books deal with the ACL software. Also, older and international editions of the textbook sometimes have different page numberings, problems, or even older versions of ACL and as such, might require extra effort to use.

Grading: Your grade will be based on the following points:

Exam 1	100
Exam 2	100
Group Homework	50
Group Topical Presentations	50
Group Project	75
<u>Group Evaluation</u>	<u>25</u>
Total Points Available	400

NOTE: All disputes about graded material must be brought to the instructor's attention within one week of the material being handed back. At that time, the entire item (e.g., the entire exam or assignment) will be re-graded for potential mistakes, those in the student's favor and against. After that, disputes about graded items will not be entertained.

Grades will be determined by your relative performance in the course (i.e., you will be graded on "a curve"). Grades are not subject to negotiation. Being close to the next higher grade is not a relevant issue for discussion of a grade adjustment. Extra credit in this course is not available.

Final course grades will be based on the following scale indicating the percentile in the course needed to achieve each letter grade:

- **81st to highest score:** A
- **61st to 80th percentile:** A-
- **41st to 60th percentile:** B+
- **11th to 40th percentile:** B
- **Lowest score to 10th percentile:** B or lower

Percentiles are a measure of rank relative to all the other students in the class. This is not the same as a percentage of points. For example a 60th percentile states that you performed better than 60% of the **class** but worse than 40% of the **class**.

So, where you rank in the class in terms of points will determine your grade. For example, a student that earns 75% of the total points would not necessarily receive an A-. It will depend on how well you performed relative to the class as a whole. If 75% of the points equates to the 65th percentile, you will receive an A- but if it equates to the 55th percentile, you would receive a B+.

Students who fall in the 10th percentile or lower in the class, will receive as high as a B in the course and as low as an E. I will assess their grade based on how close they are to the B level students, those close to the B level students will receive B's and those farther away will receive less than a B.

See <https://catalog.ufl.edu/ugrad/current/regulations/info/grades.aspx> for more information on current UF grading policies for assigning grade points.

Examinations: Any question format may be used on examinations. Examination questions can relate to materials presented in class or assigned readings. The exam for this course is scheduled during class time and therefore there are no possible conflicts with other courses. If an examination is missed without a valid, documented excuse, you will receive a grade of 0 for the exam. Note: weddings, family reunions, travel plans, interview trips etc. are not accepted as valid conflicts.

Problems: The e-Learning site will list the suggested problems and cases for each topic that will be the basis for class discussion. The problems will be listed on the site at least a week prior to the date the problems will be covered in class. While these problems will not be collected, completing them prior to class will be necessary to fully participate in class discussions. You should bring written/typed notes to class for each case or problem and be ready to discuss.

Group Homework: There will be one group level assignment regarding XBRL that must be completed in your groups and turned in. There is no presentation associated with the assignment but we will use the assignment as the basis for a class discussion. More details will be provided as we get closer to the assignment date.

Group Topical Presentations: You will be required to give a group presentation related to one of the class topics on the schedule. I will create randomly assigned groups, which will be posted

on e-Learning, and assign each group to a particular topic/day on the schedule. Using the below external sources (as a guide to the type of acceptable resources), you will be required to give a 15-minute presentation relating the topic of the day to current (or recent) events. If it is difficult to find a related current event, your group may also research a topic more thoroughly and present your findings to the class. These presentations are NOT just reviews of the chapter. Your presentation must be posted on the class e-Learning site 24 hours prior to your presentation. Your score will be composed of my evaluation and a peer evaluation.

Regulators & Professional bodies:

- <http://pcaobus.org/> (PCAOB - Auditing Standards regulatory body)
- <http://www.isaca.org> (Information Systems Audit & Control Association)
- <http://www.aicpa.org/about/code/index.htm> (AICPA Code of Professional Conduct)
- <http://www.aicpa.org/Professional+Resources/Accounting+and+Auditing/Audit+and+Attest+Standards/> (AICPA Statements of Auditing Standards)

Accounting/Auditing Blogs (note blogs are helpful to identify current topics and sources of material but not necessarily to be used as primary sources themselves):

- Jim Peterson (former in-house attorney for Andersen): <http://www.jamesrpeterson.com/>
- Francine McKenna: <http://blogs.forbes.com/francinemckenna/> and
- <http://retheauditors.com/>
- Caleb Newquist: www.goingconcern.com
- <http://onlineaccountingcolleges.com/2011/top-50-blogs-by-accounting-professors-students-and-professionals/> (List of accounting blogs)
- <http://www.fasri.net/> (Financial Accounting Standards Research Initiative)

Business press: Wall Street Journal, Economist, Forbes ...

Group Project: There will also be a project that is related to analyzing financial data using ACL. The project will be done in groups although I would recommend that each individual perform (at least some of) the analysis separately at first in order to get the most from the project. Details of the project will be posted on the class website later in the module.

Group Evaluations: Since you will be completing several assignments as a group, there will be an opportunity at the end of the module to evaluate your fellow group members. This will be an evaluation for a group member's contribution across all of the group work for the module.

Excused Absence Policy: Requirements for class attendance and make-up exams, assignments, and other work in this course are consistent with university policies that can be found at: <https://catalog.ufl.edu/ugrad/current/regulations/info/attendance.aspx>.

Academic Integrity: UF students are bound by The Honor Pledge which states, "We, the members of the University of Florida community, pledge to hold ourselves and our peers to the highest standards of honor and integrity by abiding by the Honor Code. On all work submitted

for credit by students at the University of Florida, the following pledge is either required or implied: “On my honor, I have neither given nor received unauthorized aid in doing this assignment.” The Honor Code (<http://www.dso.ufl.edu/sccr/process/student-conduct-honor-code/>) specifies a number of behaviors that are in violation of this code and the possible sanctions. Furthermore, you are obligated to report any condition that facilitates academic misconduct to appropriate personnel. If you have any questions or concerns, please consult with the instructor or TAs in this class. The penalties for academic dishonesty are severe. Cheating in this course includes obtaining **ANY** materials from students in prior semesters or solutions to assignments from the Web.

Disabilities / Assistance: The University of Florida is committed to providing academic accommodations for students with disabilities. Students with disabilities requesting accommodations should first register with the Disability Resource Center (352-392-8565, www.dso.ufl.edu/drc/) by providing appropriate documentation. Once registered, a student should present his/her accommodation letter to the instructor supporting a request for accommodations. If your accommodation regards special testing arrangements, you must then submit an Accommodated Test Request (ATR) online. Students with disabilities are encouraged to follow these procedures as early as possible within the semester. If you do not follow the DRC required procedures, you will have to take the exam without accommodations.

Course Evaluations: Students are expected to provide feedback on the quality of instruction in this course by completing online evaluations at <https://evaluations.ufl.edu>. Evaluations are typically open during the last two or three weeks of the semester, but students will be given specific times when they are open. Summary results of these assessments are available to students at <https://evaluations.ufl.edu/results/>.

Other Matters:

1. **The last day to drop ACG 6697 is September 30.** (Because this course is a modular course, the last day to drop is not the same as for full semester courses.)
2. ACG 6697 is not available on an audit or S/U basis.
3. The official “Gator 1” identification card must be presented at each exam.
4. Microsoft Office is freely available to UF students (<http://www.it.ufl.edu/news/education/free-microsoft-office-for-students/>). UF Apps also provides a hosted version of MS Office <http://info.apps.ufl.edu/>).
5. The University Counseling and Wellness Office can be a helpful resource <http://www.counseling.ufl.edu/cwc/Default.aspx>, phone 392-1575.

Note: The below schedule is subject to change at the discretion of the instructor.

<u>DATE</u>	<u>Chapter</u>	<u>TOPIC</u>
AUG 23 T		Introduction
25 TH	1	Auditing and Internal Control
30 T	2	IT Governance Controls
SEP 1 TH	3	Security I: Auditing Operating Systems and Networks
6 T	4	Security II: Auditing Database Systems
8 TH	5	Systems Development
13 T		EXAM 1 (in-class)
15 TH	6	Transaction Processing and Financial Reporting Systems
20 T	7	Computer-Assisted Audit Techniques (CAATTs) (XBRL Project Due)
22 TH	8	Data Structures and CAATTs
27 T	11	Enterprise Resource Planning
29 TH	9	Auditing the Revenue Cycle
OCT 4 T	10	Auditing the Expenditure Cycle
6 TH	12	Fraud Detection
11 T		EXAM 2 (normal class time)