

ACG 5637 – Auditing I  
Fisher School of Accounting  
University of Florida  
Module 1, Fall 2017

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**Office Hours:** Tuesday and Thursday 4:00 – 5:00 PM, or by appointment

**Catalog Description:** Concepts and theory underlying the audit of third party assertions. Coverage includes the audit environment, risk assessment, evidential search and evaluation, internal controls, audit programs and audit reporting.

**Prerequisites:** ACG 4111 & ACG 4341 with minimum grades of C, and AC standing (enforced by the FSOA administration).

**Objectives:** The objective of this course is to introduce the nature of auditing, assurance services and the process used for the audit of financial statements. Learning objectives include (1) understanding auditors' professional responsibilities, (2) identifying, describing, and explaining the audit process, and (3) describing key completion and reporting activities.

**Required Books:**

Knechel, W. Robert, Steven E. Salterio. *Auditing Assurance and Risk*. Fourth Edition. New York: Routledge, 2017 (ISBN 978-1-138-69279-4).

Dee, Durtschi, and Mindak. *Alpine Cupcakes, Inc Audit Case Study*. Cambridge Business Publishers, 2017 (ISBN 978-1-61853-073-8).

**Suggested Resource:**

A review book with CPA questions such as Gleim and Hillison's *Auditing & Systems Exam Questions and Explanations*.

**Evaluation:**

Group Cases	15
Class Preparedness/ Participation	15
Midterm Exam	30
Final Exam	40
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**Grades:**

Final grades will be assigned on the following basis, with scores rounded to the nearest point. The instructor reserves the right to employ a curve.

93% - 100% A  
90% - 92% A-  
87% - 89% B+  
83% - 86% B  
80% - 82% B-  
70% - 79% C  
60% - 69% D  
Below 60% F

Final course grades will be assigned in a manner consistent with university policies. For more information, visit: <https://catalog.ufl.edu/ugrad/current/regulations/info/grades.aspx>.

**Group Cases:**

Throughout the course cases will be assigned. The cases should be prepared in a group, which should consist of no more than 4 people. In completing the cases, assume the Partner of the firm that has given you employment will review your output. The report should evidence that you have thought through all financial reporting and auditing issues and have properly balance the interests of all stakeholders affected by your decisions. In addition, your report should communicate effectively by avoiding grammatical and spelling errors.

You will complete three cases throughout this module. The first and second cases assigned in the module are each worth 2.5% of your final grade. The third case is worth 10% of your final grade. Combined, the three cases compose 15% of your final grade.

**Class Participation and Preparedness:**

This class is lecture and case-based and highly interactive. In order to get the most benefit from the course, class attendance is mandatory. Students should complete assigned readings or homework prior to class so they are able to participate and contribute to class discussions.

Credit for class preparedness and participation will be assigned at the instructor's discretion. Quizzes will be periodically administered throughout the course. These quizzes are not a formal part of student evaluation, but they will be used as a tool for the instructor in assigning credit for class preparedness and participation.

**Class Attendance / Make-Ups:**

Class policies regarding attendance make-up assignments are intended to be consistent with university policies. If a class policy conflicts with UF attendance policies, then UF policy will be followed: <https://catalog.ufl.edu/ugrad/current/regulations/info/attendance.aspx>.

Unexcused absences negatively impact student assessments. Class participation and exams that are missed due to unexcused absences cannot be made-up. Unexcused absences have a negative impact on the assessment of a student's class participation.

A make-up exam or assignment extension will be given when the student has a valid verifiable reason. In general, acceptable reasons for absence from or failure to participate in class include illness, serious family emergencies, special curricular requirements (e.g., judging trips, field trips, professional conferences), military obligation, severe weather conditions, religious holidays, and participation in official university activities such as music performances, athletic competition or debate. Absences from class for court-imposed legal obligations (e.g., jury duty or subpoena) must be excused. Other reasons also may be approved.

Students should discuss absences with the professor in advance. Absences that conflict with an exam should be communicated at least 10 days prior to an exam. **Students with emergencies and planned absences should make use of Dean of Students Office Care Program.** Information provided to the instructor through the Care Program will be taken under consideration, but does not guarantee an absence will be excused. Absences will be evaluated on a case by case basis. For more information on the Care Program, visit: <https://www.dso.ufl.edu/care/courtesy-letters/>.

### **Honesty:**

Academic dishonesty will not be tolerated. Students are required to know and comply with the university's policy on academic honesty. This policy is detailed in the Undergraduate Catalog and by reference is included in this course syllabus. For more information, visit: <https://www.dso.ufl.edu/sccr/process/student-conduct-honor-code/>

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 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 Student Assistants in this class.

### **Civility:**

This course will be conducted in a courteous and professional manner. Inappropriate classroom behavior of any form will not be tolerated. At the instructor's discretion, students acting in an uncivil manner will receive a grade reduction commensurate with the infraction. Students can be withdrawn from the course for excessive unacceptable behavior.

### **Course Evaluation:**

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 at <https://evaluations.ufl.edu/results/>.

**Disabilities:**

Students with disabilities requesting accommodations should first register with the Disability Resource Center (352-392-8565, [www.dso.ufl.edu/drc/](http://www.dso.ufl.edu/drc/)) by providing appropriate documentation. Once registered, students will receive an accommodation letter which must be presented to the instructor when requesting accommodation. Students with disabilities should follow this procedure as early as possible in the semester.

**Additional Campus Resources:***Health and Wellness*

U Matter, We Care: If you or a friend is in distress, please contact [umatter@ufl.edu](mailto:umatter@ufl.edu) or 352 392-1575 so that a team member can reach out to the student.

Counseling and Wellness Center: For more information, visit <http://www.counseling.ufl.edu/cwc/Default.aspx>. For emergencies, call the University Police Department: 392-1111 or 9-1-1.

Sexual Assault Recovery Services (SARS): Services may be accessed through the Student Health Care Center, 392-1161.

University Police Department, 392-1111 (or 9-1-1 for emergencies).  
<http://www.police.ufl.edu/>

*Academic Resources*

E-learning technical support: Access support by calling 352-392-4357 (select option 2) or e-mailing [Learning-support@ufl.edu](mailto:Learning-support@ufl.edu). <https://lss.at.ufl.edu/help.shtml>.

Career Resource Center: Career assistance and counseling. Reitz Union, 392-1601.  
<http://www.crc.ufl.edu/>

Library Support: Various ways to receive assistance with respect to using the libraries or finding resources. <http://cms.uflib.ufl.edu/ask>.

Teaching Center: General study skills and tutoring. Broward Hall, 392-2010 or 392-6420. <http://teachingcenter.ufl.edu/>

Writing Studio: Help brainstorming, formatting, and writing papers. 302 Tigert Hall, 846-1138. <http://writing.ufl.edu/writing-studio/>

Student Complaints Campus:  
[https://www.dso.ufl.edu/documents/UF\\_Complaints\\_policy.pdf](https://www.dso.ufl.edu/documents/UF_Complaints_policy.pdf)

On-Line Students Complaints:  
<http://www.distance.ufl.edu/student-complaint-process>

**Tentative Course Schedule:**

Fall 2017, Module 1			
Session	Date	Topic / Assigned Reading	Assignment
1	Mon, 8/21	Ch 1: Assurance & Auditing	
2	Wed, 8/23	Ch 2: Managing Risk	Homework Assignment
3	Mon, 8/28	Ch 3: Building Blocks of Audit	
4	Wed, 8/30	Ch16: The Ethical Auditor	Case 1: Professional Judgement
	Mon, 9/4	No Class	
5	Wed, 9/6	Ch 4: The Audit Process (+Materiality p329 - 335)	Case 2: Ocean Manufacturing
6	Mon, 9/11	Review	
7	Wed, 9/13	Midterm	
8	Mon, 9/18	Ch 5: Strategic Analysis & Mgmt Controls	
9	Wed, 9/20	Ch 6: Processes and Process Controls	
10	Mon, 9/25	Ch 9: Inquiry & Analytical Evidence	Homework Assignment
11	Wed, 9/27	In Class Activity	
12	Mon, 10/2	Review Case	Case 3: Alpine Cupcake Risk Assessment Module
13	Wed, 10/4	Review	
	Wed, 10/11	Final Exam	

Assigned readings are to be completed prior to each class session.  
Schedule is subject to change.