

# ACCT4350 Audit I

## SYLLABUS AND SCHEDULE | Spring Quarter 2020

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### Course Objectives

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The primary objective of this course is to provide you with a broad introduction to the basic concepts and current practice of financial statement auditing in the United States. The course also recognizes the importance of strong analytical and communication skills in the audit profession, and will therefore promote the development of critical thinking, as well as communication, in an accounting context.

### Course Information

Course Code: ACCT4350-01  
Prerequisite: ACCT3110  
# Credits: 5.0  
Location: Online (Canvas)

### Instructor Information

Instructor: Gabriel Saucedo, PhD, CPA  
Phone: (206) 296-5707  
Email: saucedog@seattleu.edu  
Office: Pigott 412  
Office Hours: Zoom T/TH 1:30-2:30 PM PST  
Please email to arrange extra Zoom office hours if desired.

For optional Zoom office hours on Tuesdays and Thursdays we will use my SU-specific Zoom room that can be accessed at <https://seattleu.zoom.us/j/5587005707>. You can also separately access the room using Zoom Code 558-700-5707.

I will check my email regularly. You can email me at any time, but you may not receive a response outside regular business hours. Generally, emails received on a weekday will receive a response within 24 hours. Emails received over the weekend will receive a response on the next business day. Business days/hours are Monday - Friday 8:00 AM - 5:00 PM, except for holidays. While I may respond to emails late in the evening, do not assume I will always be immediately available during non-business hours.

### Required Readings and Materials

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*Auditing & Assurance Services: An Integrated Approach, 16<sup>th</sup> Edition*

Alvin A. Arens, Randal J. Elder, Mark S. Beasley, Chris E. Hogan  
ISBN# 9780134065823 (hardcover) or 9780134067124 (eBook)

*Integrated Audit Practice Case, 7<sup>th</sup> Edition*

David S. Kerr, Randal J. Elder, Alvin A. Arens  
ISBN# 9780912503684

Additional required readings may be posted in Canvas over the course of the quarter. These readings will be communicated in a timely manner and will be applicable to in-class discussions and exams.

## **Learning Outcomes**

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On successful completion of this course (i.e. by *passing* this course), you will be able to:

1. Synthesize the phases of the audit process, and illustrate the function/purpose of the primary components of each phase.
2. Outline the roles that accounting, auditing, ethics, internal control, fraud, and accountability play in accounting systems.
3. Interpret the professional standards for auditing and reporting on internal controls.
4. Demonstrate competent, sound written and oral communication skills involving audit content.

## **Instructional Methods**

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Education research shows that your learning is greatest when you are actively involved in making sense of new concepts (“constructing knowledge”) and when you do this in social settings. This model is technically called “social constructivism.” Even though this is predominately an asynchronous online course, we will continue to use this model throughout the class. Therefore, you can expect to:

- be engaged in plenty of classroom activities to build on each assigned reading;
- work in online learning groups and participate in discussion threads;
- ask me for clarifications, rather than expecting lectures.

Though you can go through the course materials each week at your own pace, you should ideally plan to get through the materials by Thursday, clearing the way for you to complete the weekly quizzes (i.e., Knowledge Checks), audit standard research questions, and cases by the days and times outlined in the syllabus. Your success in this course is incredibly dependent on your ability to proactively prioritize your studies, which will always start with a thorough read of the course text. The learning tools I have embedded in the modules for each chapter will enrich and expand upon the course text.

Clearly there is no “participation” requirement for an online course of this nature. However, I will hold online Zoom office hours every Tuesday and Thursday from 1:30-2:30 PM PST. These office hours are completely optional and to be used at your own personal discretion.

- Considering the deadlines for the Oceanview Marine Cases and your Exams, **Tuesdays** will be committed to answering questions regarding these assignments. I will not be live-lecturing on Tuesdays; this is a time for you to ask your questions (so be ready to ask

them). If you don't have questions, then there is no direct need to join this Zoom. Tuesday sessions will not be recorded, but if you can't make those office hours you can contact me to set up a time for a separate 1-1 or small group Zoom.

- During **Thursday** office hours, I will pick a practice exercise that we can work through as a group (and/or provide additional case guidance). As necessary, I will post practice exercises in the weekly module so you can review them beforehand (note that some problems may not be posted because I will want your live comments/thoughts). The Thursday sessions will be recorded and posted to the Canvas module for additional viewing.

Please be sure to visit the "Information for Online Learners" and "Zoom" sections in the Course Overview module to understand more about online learning expectations.

## Evaluation

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Grades will be based on your performance on the following items:

ASSIGNMENT	RELATIVE VALUE
1. Knowledge Checks	10%
2. Audit Standard Research Questions	10%
3. Cases	10%
4. Integrated Audit Practice Case (OVM)	30%
5. Exam I	20%
6. Exam II	20%
<b>TOTAL</b>	<b>100%</b>

## Grading Procedures and Policies

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### GRADING SCALE (% OF POINTS EARNED)

A	100–94 Superior	B–	82–80	D+	69–67
A–	93–90	C+	79–77	D	66–63 Poor
B+	89–87	C	76–73 Adequate	D–	62–60
86–83	Good	C–	72–70	F	59 or less Failing

## Detailed Assignment Descriptions

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### PRE-LECTURE KNOWLEDGE CHECKS (10% OF FINAL GRADE)

To facilitate learning and online dialogue, knowledge checks will be posted in Canvas each week. The weekly knowledge checks have two purposes: (1) to ensure readings from the text are done timely to keep pace with the course, and (2) to prepare for classroom (online) discussion. Each knowledge check will be worth 10 points, and will be available in Canvas the

week prior to class. You will have 30 minutes to complete the knowledge check and only one attempt to complete it. **The lowest pre-lecture knowledge check will be dropped at the end of the quarter. No exceptions for missing knowledge checks.**

**CASES (10% OF FINAL GRADE)**

Short cases will be posted in Canvas and assigned for each module (approximately 1 per week). These cases are meant to provoke thought related to the weekly readings and lecture. Cases may be done individually, or in groups of 2-4 students of your own choosing. If done in groups, you will need to coordinate through Zoom or other electronic media to work cohesively (the method is completely up to you). The formatting of your case responses may vary from week to week, depending on the specific case. Make sure to follow case guidelines, and think about a professionally formatted, succinct, and thorough deliverable. Cases will be graded following a criteria similar to the audit standard research questions noted below. **The lowest case score will be dropped at the end of the quarter. No exceptions for late cases.**

**AUDIT STANDARD RESEARCH QUESTIONS (10% OF FINAL GRADE)**

To practice audit research, and to think about applying audit standards, each week you will complete a short audit standard research task. Unlike the cases, your research will be an individual assignment. Each project will require you to: (1) locate the applicable audit (i.e., PCAOB) guidance in the standards, and (2) reflect/apply stated guidance to a simple audit scenario. Depending on the standard and scenario, these weekly tasks should only be 1-3 short paragraphs, which you will submit in Canvas. The first paragraph should be the cited guidance (e.g., Per PCAOB AS XXX, “.....”). The subsequent paragraph(s) should then succinctly, yet completely, respond with your reflection on the posed scenario. Each research task will be graded on a standard 5-point scale in 0.5 increments.

GRADING CRITERIA	POINTS
Response is a well-developed statement/argument that develops and supports claims with clear reasons and relevant evidence.	5
Response is a complete statement/argument that relates and supports claims with some evidence.	4
Response is incomplete and/or is oversimplified that partially supports claims with loosely related evidence.	3
Response is weak and/or is oversimplified, and does not support claims with adequate evidence.	2
Response is significantly flawed for various reasons (e.g., too limited, off topic, blank, inappropriately copied without proper citation).	1

Additional deductions may be made for poor grammar, spelling errors, and/or failure to proof your work. Comments will be provided for any major deductions. **The lowest case score will be dropped at the end of the quarter. No exceptions for late cases.**

## **INTEGRATED AUDIT PRACTICE CASE (30% OF FINAL GRADE)**

At your own discretion, you can work through the Oceanview Marine Case individually or in teams of 2-4 students. The audit case is a comprehensive audit case that you will complete over the course of the entire quarter. Working in a team is likely ideal because you can split the time and cost of the case. However, some of you may prefer and/or need to work individually depending on your circumstances. You will be completing seven of the ten assignments in the overall case. Each assignment is worth 10 points, for a total of 70 points. You will be graded on the basis of (1) completeness, (2) accuracy, (3) neatness, and (4) reasonableness of your judgments. You will lose points for sloppy or incomplete work.

The due date for each of the case assignments is included on the schedule at the end of this syllabus. **No late cases will be accepted.** If you are unable to complete the assigned case because of extenuating circumstances, please notify me on or before the date the assignment is due and provide relevant supporting documentation (e.g., note from student services). How you distribute the case work among your group members is up to your discretion and is part of the normal audit planning process.

During the quarter, I will be reviewing your case work as I would if I was a manager on the audit and you are my staff auditors. Your feedback will consist of review notes that I would leave my staff auditors and annotations on your workpapers. You can expect my review notes to be thorough, but constructive. The following table provides a general guide of deductions for the Integrated Audit Practice Case:

<b>REVIEW NOTE (ISSUE)</b>	<b>DEDUCTION</b>
Minor omission(s), missed instruction(s), and/or error(s).	.10-.25
Moderate omission(s), missed instruction(s), and/or error(s).	.25-.50
Significant omission(s), missed instruction(s), and/or error(s).	.50-1.0
Significant portion(s) incomplete; sloppy, and/or illegible work.	1.0+

**At the end of the quarter, your case group can resubmit 1 case assignment of your choosing to improve your grade.** It is expected that your revised assignment will address all of my review notes completely and accurately. Note that during the course of an audit I would expect that ALL review notes would be cleared in a timely fashion, but because we will be briefing all cases in class before you start work I am only going to allow the revision of 1 case assignment.

## **EXAMS (40% OF FINAL GRADE)**

Two exams, each worth 20% of your final grade, will be given in Canvas. Exam dates are included on the schedule at the end of this syllabus. Exams may consist of multiple choice and short answer questions, as well as completion statements and essays. Exams must be taken on the day and within the testing window scheduled. If circumstances make it impossible for you to take an exam on the designated date, it is your responsibility to contact me as soon as possible and to provide

appropriate documentation to validate your absence. **A missed exam will count as zero points unless, in my judgment, the circumstance was compelling enough to warrant your absence.**

### **EXTRA CREDIT**

Extra credit is rarely offered, and is never offered for the benefit of a single student. Do not ask for specific exceptions to this rule. Your success or failure in this course is your responsibility.

### **GRADE DISPUTES**

**If an error was made in grading an assignment or exam, or an error was made in posting a grade, you must notify me in writing within one week following the date the grade was assigned/posted. After that time, the grade becomes final.**

## **Academic Resources**

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My goal is to create a learning environment in which you can be incredibly successful. I will work hard to create and improve the learning environment throughout the quarter based on my own observations of the course and your feedback on what would help you learn more. In return, I ask and encourage you to make the most of this learning opportunity. Please take advantage of the academic support services available to you at the university. Even if you have had excellent study skills in the past, it is easy to slip into suboptimal habits and these services can help you excel in your studies.

### **LIBRARY AND LEARNING COMMONS**

(see <http://www.seattleu.edu/learningcommons/>). This includes Learning Assistance Programs, Research [Library] Services, the Writing Center, and the Math Lab.

### **LEARNING ASSISTANCE PROGRAMS**

Learning Assistance Programs provide peer tutoring, facilitated study groups, and learning strategy development through scheduled workshops and individual meetings with a learning specialist.

### **WRITING CENTER (BUSINESS COMMUNICATION COMPETENCE)**

Writing is a key component of success in the accounting profession. Writing assignments will be evaluated not only for accounting knowledge, but also writing quality. Assignments with grammatical errors and spelling errors will receive a significantly lower grade than quality assignments. The University Writing Center (see Library and Learning Commons above) employs undergraduate writing consultants who assist students at all stages of the writing process. Consultants can help students begin writing tasks, organize and develop first drafts, and revise and edit later drafts.

## University Policies

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### **ACADEMIC POLICIES ON THE REGISTRAR WEBSITE**

Be sure that you understand university academic policies, posted on the Registrar's website (see <https://www.seattleu.edu/redhawk-axis/academic-policies/>), including the Academic Integrity Policy, Academic Grading Grievance Policy, and Professional Conduct Policy. The Academic Integrity Tutorial is a specific learning aid to help you understand the "dos and don'ts" of academic life. There are a variety of questions and answers with explanations to help you understand academic best practices (see <https://www.seattleu.edu/academic-integrity/resources-for-students/>).

### **ACADEMIC ETHICS**

Seattle University is committed to the principle that academic honesty and integrity are important values in the educational process. Academic dishonesty in any form is a serious offense against the academic community. Acts of academic dishonesty will be addressed according to the Seattle University Academic Honesty Policy found at the web address noted above.

### **NOTICE ON RELIGIOUS ACCOMMODATIONS**

It is the policy of Seattle University to reasonably accommodate students who, due to the observance of religious holidays, expect to be absent or endure a significant hardship during certain days of their academic course or program. Please see, Policy on Religious Accommodations for Students (see <https://www.seattleu.edu/media/policies/Policy-on-Religious-Accommodations-for-Students---FINAL.PDF>).

### **OFFICE OF INSTITUTIONAL EQUITY**

Title IX of the Education Amendments of 1972 (Title IX) prohibits discrimination based on sex in educational programs or activities that receive Federal financial assistance. This prohibition includes sexual misconduct, which encompasses sexual harassment and sexual violence. Seattle U remains committed to providing a safe and equitable learning, living, and working environment. Seattle U offers emergency, medical, and other support resources, as well as assistance with safety and support measures, to community members who have experienced or been impacted by sexual misconduct.

Seattle U requires all faculty and staff to notify the University's Title IX Coordinator if they become aware of any incident of sexual misconduct experienced by a student.

For more information, please visit <https://www.seattleu.edu/equity/>. If you have any questions or concerns, you may also directly contact the Title IX Coordinator in the Office of Institutional Equity (email: [oi@seattleu.edu](mailto:oi@seattleu.edu); phone: 206.296.2824).

## **SUPPORT FOR STUDENTS WITH DISABILITIES**

If you have, or think you may have, a disability (including an “invisible disability” such as a learning disability, a chronic health problem, or a mental health condition) that interferes with your performance as a student in this class, you are encouraged to arrange support services and/or accommodations through Disabilities Services staff located in Loyola 100, (206) 296-5740. Disability-based adjustments to course expectations can be arranged only through this process.

## Course Schedule, Readings, and Due Dates

Knowledge Checks are Audit Standard Research Questions are due on Thursdays by 11:00 PM PST. Cases are due on Fridays by 11:00 PM PST.  
Oceanview Marine Assignments are due on Tuesdays by 11:00 PM PST.

Week	Topics	Preparation	Weekly Case	PCAOB AS	OVM and Exams
Week 1	<b>Course Introduction &amp; Overview The Demand for Audit + The CPA Profession</b>	Read Chapter 1 + Read Chapter 2 (and Canvas content)	Rosie's East End Restaurant	AS 1001, 1005, 1010, 1015	
Week 2	<b>Audit Responsibilities and Objectives</b>	Read Chapter 6 (and Canvas content)	ABC Trucking	AS 1101	
Week 3	<b>Audit Planning and Materiality</b>	Read Chapter 8 (and Canvas content)	Prefab Sprout	AS 2101, 2105	<b>Prep for Integrated Audit Practice Case #1 and #2 (due 4/28)</b>
Week 4	<b>Audit Evidence; Risk of Material Misstatement; Fraud Risks</b>	Read Chapter 7 + Chapter 9 (and Canvas content) Skim Chapter 10	Mystery, Inc.	AS 1105, 2110, 2401	<b>Prep for Integrated Audit Practice Case Assignment #3 (due 5/5)</b>
Week 5	<b>Internal Control, Control Risk, and Section 404 Audits</b>	Read Chapter 11 + Chapter 12 (and Canvas content)	Simply Steam	AS 2201	<b>Prep for Integrated Audit Practice Case #4 (due 5/12)</b> <b>Prep for Exam I (5/12)</b>
Week 6	<b>Overall Audit Strategy and Audit Program: Audit of Cash</b>	Read Chapter 13 + Chapter 23 (and Canvas content)	Green Tech Manufacturing Case	AS 2301, 2305	<b>Prep for Integrated Audit Practice Case #8 (due 5/19)</b>
Week 7	<b>Audit of the Sales and Collection Cycle Sampling</b>	Read Chapter 14 + Chapter 16 (and Canvas content) Skim Chapter 15 + Chapter 17	No case this week!	AS 2310, 2315	
Week 8	<b>Audit of the Sales and Collection Cycle (continued) Sampling (continued)</b>		Bud's Big Blue Manufacturing	AS 2310, 2315 continued	<b>Prep for Integrated Audit Practice Case #6 (due 6/2)</b>
Week 9	<b>Completing the Audit; Audit Reports</b>	Read Chapter 24 + Chapter 3 (and Canvas content)	Tintype, Inc.	AS 2505, 2801, 2805, 2810, 3101, 3105, 3110	<b>Prep for Integrated Audit Practice Case #10 (due 6/9)</b>
FINALS					<b>Exam II (6/10)</b> <b>Integrated Audit Practice Case Redo (due 6/12)</b>