DePaul University  
School of Accountancy & MIS  
Accounting 372 Audit I  
Winter Quarter 2014-15  
DRAFT as of December 22, 2014

I am here to help you so call, text or stop by my office if you have any concerns. You are my priority.

Since any information is subject to change, any changes will be noted in class, by email, and/or on D2L (Desire 2 Learn). The classroom location may change so see the latest information provided by the University.

Instructor: Mike Marback CPA, MBA, JD  
Email: mmarback@depaul.edu  
Office Hours: Mondays and Wednesdays before and after classes and by appointment.  
Phone: My cell is on D2L under news – keep my cell phone handy. Best method to contact me.  
Class: Wednesday Evenings 6-9:15 14 East Jackson Blvd Room 412  
Final: MARCH 18 at same time in our classroom

We will also use the eztest website extensively which is provided free by the publisher – information is on D2L.

Online: Desire to Learn: https://d2l.depaul.edu/  
FASB access: listed on D2L  
Eztest online: listed on D2L  
CPA information: listed on D2L

Desire 2 Learn Course Website: https://d2l.depaul.edu/ For each chapter, there may be course handouts that you must download from D2L and/or other websites provided by the instructor. There will also be quizzes and homework problems given in class, by email or posted on D2L. These documents are intended to make your in class note taking easier and you must always bring the appropriate chapter’s handout to class. In addition to the handouts, solutions to each chapter’s homework problems may be posted.

Prerequisites: Students are expected to know and have met any and all DePaul University prerequisites for this course whether mentioned in this syllabus or not. Failure to comply with the prerequisite can result in the automatic failure for the student.

Help: I am always available to help you from 10am until 10pm.  
The school of accountancy tutor schedule will be posted on D2L.  
Also see student with disabilities

Students with Disabilities: Students seeking disability-related accommodations are required to register with DePaul's Center for Students with Disabilities (CSD) enabling you to access accommodations and support services to assist your success. There are two office locations that can provide you with enrollment information, or inquire via email at csd@depaul.edu. Loop Campus - Lewis Center #1420 - (312) 362-8002  
Lincoln Park Campus - Student Center #370 - (773) 325-1677. Students are also invited to contact me privately to discuss your how I may assist in facilitating the accommodations you will use during this course. This is best done early in the term and our conversation will remain confidential.

Objectives: This course has four primary objectives:
1. To provide an introduction to auditing standards and to the theory of the audit.  
2. To emphasize the judgment required of the auditor as a professional in a changing and demanding legal, ethical, and business environment.  
3. To provide direction in communication, ethical, and other skills and attributes required of a professional accountant.  
4. To assist you through class activities and homework assignments in preparing for the auditing part of the CPA Examination.  
Since all topics covered on the auditing part of the CPA examination cannot be covered in one ten-week course, most students will need to supplement their preparation through further study before taking the CPA examination.

Teaching Method: This course is lecture and problem-solving oriented. Students are encouraged to ask questions or make comments at any time. Students are required to read assigned chapters before the class lecture and to attempt assigned homework before it is reviewed in class. In order to understand the course material, it is essential that students conscientiously do the homework. Students will be called upon to provide homework solutions. Homework assignments will be given in class and/or posted on D2L.

Attendance: Regular class attendance is expected. Student participation during lecture discussions is essential for the successful mastery of material covered in this course. It is the student's responsibility to be aware of all materials covered in class including any updates or changes to the syllabus, dates of exams or other materials even if the student misses the class. Each student should develop a network among other students in the class.

Drop Policy: In accordance with university regulations, the last day to withdraw from a course with 100% tuition reimbursement is ___________. The final day to withdraw from a course is ____________. (The student should complete these dates based on current University information).
GRADING POLICY: There will be two exams and various written assignments & quizzes given during the quarter. Exams will tentatively be given at the time indicated on the attached course outline. The final grade in the course will be determined as follows:

- Attendance & Participation 10%
- Individual In-Class Quizzes 20%
- Midterm Exam 35%
- Final Exam 35%

PLUS successful passing of all required projects. The projects will be graded only on a pass/fail basis. They will be given on D2L.

You determine your grades so make it a good one. Grades will be assigned according to University Policy which should follow the following scale:

- 93 or more A
- 90 to 92.9 A-
- 87 to 89.9 B+
- 83 to 86.9 B
- 80 to 82.9 B-
- 77 to 79.9 C+
- 73 to 76.9 C
- 70 to 72.9 C
- 67 to 69.9 D+
- 60 to 66.9 D
- Below 60 is an F

Quizzes: I expect to have a short quiz for you generally each week. The quiz will include the prior week’s class as well as any previous materials we studied up to that point. So each quiz will be chosen from more and more material. The exact nature of the quiz will be announced in class but it is anticipated that the quiz will be based on the material covered in class and assignments as well as any chapter quizzes provided in class or on-line. You should be able to do well on these if you study daily. Continuous practice of these quizzes will help you to understand the information as well as retain the knowledge. Doing quizzes is a proactive approach to learning and will keep you up to date with the material. At some point, I will stop giving the quizzes. It is imperative that you continue to study each week as if you will receive the quizzes. Your total quiz grade is calculated by adding up the total number correct and dividing it by the total number of questions asked. Each quiz may have a different number of questions so the percentage score that you receive is not used to calculate your quiz grade.

Exams: Exams may consist of multiple-choice, matching, problem solving, etc. If needed, a calculator will be provided to you the day of the exam. There will be no need for cell phones, your own calculator, etc, thus no other programmable device will be allowed in the classroom. Your bags will be placed in the front of the room. If you have to use the bathroom or otherwise leave the exam, you must obtain permission. You can’t just get up and leave. If you do not ask for permission, you may receive a zero on the exam. You are not allowed to bring your cell phone or other devices with you.

The date for the midterm exam in the course outline is tentative. The exams will be announced at least one week prior to the exam. The exams will be created to reflect the materials covered in class. While every person in the class will have the same questions, they will be in different sequences.

Makeups: Makeup exams are not encouraged but, where a makeup exam is needed, then that student may receive an entirely different exam that may be more difficult than the class examination. Also any made up exams or quizzes most likely will not be graded promptly. Make-ups are limited and require a valid excuse received in advance and approved by me. Leaving a message on my voice mail/email does not constitute me granting permission.

Very Important: Study skills. Determination and discipline are key attributes for success in all your endeavors but especially remember that this is your major - take it seriously but stay focused and relaxed as you study. If you practice hard, the exams and quizzes will be easy. If you practice easy, the quizzes and exams will be hard.

- Plan your work and work your plan. I will provide a definite plan of study for you to follow. Bring any materials to class that I have provided to assist with your note taking. Immediately, after class, quickly review your notes to clean and clear them each hour later and then review them each day. Do the extest questions and homework questions. Mark anything that you are getting incorrect and go over them again – feel free to contact me to clear up any confusion. You should also make friends with other students in class so that you can discuss any problems. You should do some problems each day.
- Daily Repetition - The plan requires you to practice the materials a little bit each and every day.
  - Do not waste your time trying to reinvent the wheel. Learn the proper accounting entries and the practice them over and over. Doing a problem once is not enough. You should do the problem several times. Each time you do it, you will become more efficient because your learning curve will be reduced.
  - Just as an athlete must practice the same skill over and over until it becomes routine, you must practice the problems over and over until they are routine.
- Hard work is not enough – You need to not just study hard but to study smart. You have to do a little each day. If you do not work this way and instead try to cram the night before the exams you will not stand a chance. Just imagine if a professional football team did not work out daily but instead waited until the day before the game and practiced all night.
- Your career: Remember you are covering materials that eventually will be important to your career so learn it well. All of us will get opportunities but success occurs when you are prepared to take advantage of the opportunity. You never know what your promotion will be based on therefore it is advisable to prepare now so that when the opportunity arises you can take advantage of it.
- You determine your grades. As one of my professors once told my class – “I do not give the grades, I only write them down.”

My goal is to be the best teacher you ever had. I am hoping that your goal is to be the best student I ever had.
**Academic Integrity**: Students are expected to conduct themselves in this course in a manner consistent with the University’s standards of academic honesty. Any student found cheating on an assignment or an exam may result in the failure of the assignment, failure of the course, and/or additional disciplinary actions including dismissal. The DePaul Student Handbook details the academic integrity policy. There have been many successful people who will always be remembered for a breach of integrity. There is a line between what is right and what is wrong. As Warren Buffet says “Do not even get close to the line.” Integrity keeps others from questioning your success.

**SCA Code of Conduct**: In order to address specific issues that ACC and MIS want to emphasize, the School of Accountancy (ACC) and Management Information Systems (MIS) faculty has prepared the ACC and MIS Student Code of Conduct. Students enrolled in any ACC or MIS course are expected to abide by the School of ACC & MIS Code of Conduct. The link to the SOA Code of Conduct is http://accountancy.depaul.edu/contents/currentstudents/AccCodeofConduct/doc

**Non-Contractual Nature of Syllabus** This syllabus merely presents the course outline. It is not a binding contract between the professor and the student. The professor reserves the right to make adjustments to the course schedule, grade distribution and assignments.

**VERY IMPORTANT** - Dates are Tentative for topics, midterm and assignments. I will provide fill-in-the-blanks outlines in the beginning of the course to help you – the outlines will be available on the website so bring them to class. For each chapter KNOW the homework problems and quizzes provided in class or on Desire 2 Learn. When reading the chapters, it is best to be proactive and to work the examples along with the author.

**HOMEWORK** – Developing a basic accounting proficiency is a major objective of this course. The homework assignments have been selected to assist you in the achievement of this objective. The assignments and examinations will draw on the skills and abilities you develop in the process of solving these exercises and problems. The more you practice, the better you will perform on the examinations. You should do the problems over and over again including quizzes. Also, as you are reading the chapter, you should work out any examples provided by the author. Then you should consider how variations in the problem would affect the outcome. The answers might be for the entire chapter not just our homework questions. Use the answers on the Website – do NOT waste a lot of time trying to invent your own accounting entries. But make sure you repeatedly do the question CORRECTLY. Homework assignments may be changed. A copy of your homework may be requested to be deposited in the D2L drop box to ensure that students are completing the assignments. The homework will not be returned but may be used when considering attendance, participation and effort. ALWAYS do the practice quizzes for each chapter. Note because of the nature of the class, we will be discussing and covering issues in more than one chapter including all past chapters.

Note – This class covers a lot of difficult material. It is essential to keep up on the materials. Generally, the final is much more difficult than the midterm so do not get complacent if you do well on the midterm.

**USEFUL WEB SITES**
- American Accounting Association (AAA) http://aaahq.org/index.cfm
- Auditing Section http://aaahq.org/audit/index.htm
- Institute of Certified Public Accountants (AICPA) http://www.aicpa.org/index.htm
- Public Company Accounting Oversight Board (PCAOB) http://www.pcaobus.org/
- Institute of Internal Auditors (IIA) http://www.theiia.org/iiia/index.cfm
- Financial Accounting Standards Board (FASB) http://www.fasb.org/
- Committee of Sponsoring Organizations of the Treadway Commission (COSO) http://www.coso.org/
- International Auditing and Assurance Standards Board http://www.ifac.org./IAASB/
- CPA Exam Update http://www.cpa-exam.org/
- CFO Direct http://www.cfodirect.com/

**Statements on Auditing Standards (SAS)** The SAS numbers (Also codified in AU Sections) are provided below for reference and are available free on the AICPA website. Many of the main points will be covered in your text and in class, but the answers to questions on the auditing part of the CPA Examination may depend both on your specific knowledge of the professional standards and on your ability to understand exactly what the questions are asking. I recommend downloading the assigned SAS and reading them. The relevant standards are as follows (also see front in-covers of textbook):

**Chapter AU Section**
1 110,120,161,411.14,411.15,411.18,
2 201,210,220,230,410,411,431,420,150,230.10,150.02
3 ET-Code of Professional Conduct
4 771
5 317,329,342,322.336,333,339,530,326,312
6 341.13,544.02,544.04,316,311,314,318
7 COSO, Internal control Integrated Framework
16 560,561,550,337,337B,333.06,333.16,325,SAS116
17 530,532,534,543,544,431,550,334,390,558,508,341,411,623.05,508,532,380
18 504,551,552,625,534,623,634,662,711,722,SSARS
Course Organization
The Uniform CPA Examination covers five types of skills: Communication, research, analysis, judgment, and understanding. In this course, you will exercise each of these skills. The course is organization around the structure of the Auditing And Attestation (AUD) Section of the Uniform CPA Examination and the first part of the Regulation (REG) section, as follows:

Overview and Introduction to The Financial Audit
- Area I: Plan The Engagement
- Area II: Study and Assess Internal Control
- Area III: Obtain and Document Information (Covered in next audit class)
- Area IV: Review And Evaluate Work Performed
- Area V: Communications and Reporting
- Area VI and Area I of Regulation Section: Professional Responsibilities, Ethics and Legal Liability

Self-Tests Each chapter has one question with about 6 multiple choice questions that serve as practice for examinations. You should answer these questions prior to class. When time permits, a small portion of class will be devoted to answering questions you might have about the answers.

Dates are tentative and may be changed. I will provide a detailed outline of chapters and homework on D2L.

<table>
<thead>
<tr>
<th>Topic</th>
<th>Quiz</th>
<th>Book MC self-test</th>
<th>Team Present</th>
<th>Fraud case</th>
<th>D2L has Handouts and homework under Content D2L drop box will be used to collect HW</th>
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<tbody>
<tr>
<td>Auditing Overview</td>
<td>No</td>
<td>C1-28</td>
<td></td>
<td></td>
<td>Bring syllabus, book, D2L handouts for C1 and C2</td>
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<td>Auditing and public accounting</td>
<td></td>
<td>C2-30</td>
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<td>Register and log into eztest before class starts</td>
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<tr>
<td>Area I Planning the Audit (C5 and C6)</td>
<td>C1, 2</td>
<td>C5-45</td>
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<td>Bring all prior, any homework and D2L bring Homework for prior – study Ez test and self test for quiz</td>
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<td>Analytical Procedures</td>
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<td>C6-38</td>
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<td>Planning the Audit</td>
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<td>AREA II Internal Controls (C7 and 18)</td>
<td>All prior</td>
<td>C7-35</td>
<td>Yes</td>
<td></td>
<td>Bring syllabus, book, handouts for prior week and new chapters bring Homework for prior – study Ez test and self test for quiz</td>
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<tr>
<td>Internal Controls</td>
<td></td>
<td>c18-32</td>
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<td>SOX Integrated Audits</td>
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<td>C18</td>
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<td>Tentative midterm February 4th or 11th</td>
<td>C1,2,5,6,7,18</td>
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<td>C16</td>
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<td>AREA V Review And Evaluate Work (c16)</td>
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<td>Yes</td>
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<td>Book, syllabus and C16, C4,C3 materials Projects due see D2L for exact dates</td>
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<td>C16 Completing the Audit only p628-648</td>
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<tr>
<td>Regulation Section: for c3 and c4</td>
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<td>C16-36</td>
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<tr>
<td>Professional Responsibilities, Ethics and Legal Liability</td>
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<td>only e-l</td>
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<td>C4</td>
<td>Auditor’s Legal Liability</td>
<td>C4-28</td>
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<td>Finish prior week material</td>
<td>C16</td>
<td>C3-32</td>
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<td>Professional Ethics</td>
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<tr>
<td>AREA V Communications and Reporting</td>
<td>C16,4 and 3</td>
<td>Yes</td>
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<td>Bring syllabus, book, handouts for prior week and new chapters bring Homework for prior – study Ez test and self test for quiz</td>
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<tr>
<td>Reporting</td>
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<td>C16-25</td>
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<td>Other Services</td>
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<td>C19-29</td>
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<td>C17</td>
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<td>C19</td>
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<td>Catch up and Review for final March 11</td>
<td>C3,4,16, 17 and 19</td>
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<td>In our classroom</td>
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<td>Final Exam</td>
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I was honored to have been your professor. As Professor Needles says: “Once you are my student, you always are my student.” Good luck.