

UNIVERSITY OF
LOUISVILLE[®]
COLLEGE OF BUSINESS

MAC 620: Advanced Auditing
Spring 2020 Syllabus

Professor: Dereck Barr-Pulliam, PhD, CPA, CIA

Office: College of Business, Room 276

Email: dereck.barr-pulliam@louisville.edu

Office Hours: Wednesday 9:00 – 11:00 AM, and by appointment [[Click here to join virtually](#)]

Discussion Board:

You may post questions for me using the “Ask PBP” Discussion Board in Blackboard. Do not use this option for grading or other personal matters.

Schedule Additional 1-on-1 Virtual Meetings (*more availability included*): [Click Here](#)

Course Meeting Schedule and Location:

- Section 1: T/Th 6:00 – 9:30 PM [*ONLINE only in Spring 2020* – join our “live lectures” by [Clicking Here](#)]

Required Materials:

- Course readings and other materials provided in class and/or posted on Blackboard.

Prerequisites: Admission to the Master of Accountancy program

Credits: 3 credits following the Southern Association of Colleges and Schools (SACS) Credit Hour Policy and the traditional Carnegie definition (see [UofL Credit Hour Policy](#)).

Overall Expectations:

Welcome to the University of Louisville’s MAC 620 Online course. This course has been designed as a fully online class for the ensuing 5-week term. During this time, we will communicate primarily through advanced technological tools in Blackboard. This transition may be difficult for some and easy for others; however, I ask that you persevere and help other classmates who may have difficulties keeping pace in this environment. I have added a “[Virtual Study Room](#)” in the Virtual Classroom to provide a space for students to interact. I will not, however, monitor questions raised in those sessions. This is YOUR space. I have also added a “Ask PBP” Discussion Board Link in Blackboard and I encourage you to use it to post *general* questions so the whole class can participate and learn.

The course plan mirrors the topical coverage of a traditional in-person version of this course. However, the frequency of required interactions and the pacing are fewer and slower, respectively, to ensure adequate time to cover our material in an on-line venue. Please review and become familiar with all the course requirements. Each has been included in Blackboard by day and associated deadlines.

Most on-line classes are asynchronous (meaning students can access the materials and lectures at their own pace). However, our class will take a hybrid approach. I will provide lectures in “real-time” during our regularly-scheduled class time (T/Th 6-9:30 PM), but will record these lectures, which will also feature a simulated in-class activity portion as well. It is my hope that you will participate fully as the more you engage on three fronts – *engaging with each other*, *engaging with the instructor* (especially in real-time), and *engaging with the content* – **the more you will learn**. I also acknowledge the extraordinary circumstances surrounding our need to socially distance ourselves amid the pandemic. The real-time lectures and group work I have planned will, I hope, provide the most important component of your online experience—human interaction (which may be lacking in general during this time).

Quality online instructors successfully connect learner-to-learner, learner-to-instructor, learner-to-content, learner-to the world and learner-to the future. In this course, I strive to achieve those goals. As always, I’m here to support you!

UNIVERSITY OF LOUISVILLE®

COLLEGE OF BUSINESS

Instructor Availability

I am available during my office hours noted above. You may contact me during my [Virtual Office Hours](#) [note this time is shared with another course offering] or schedule time with me using the link above. There are some additional times available at that link.

It is increasingly more important in the online setting that you use your University of Louisville (UofL) e-mail address for electronic communication. If the times I am available [*including those in the additional hours link above*] are not convenient for you, please let me know and I will be happy to identify a mutually beneficial time for us to “meet”. **I provide you with these times to make it easier to communicate with me at a range of times, not to limit contact. I want you to know that, should you need to contact me outside these periods, you should not hesitate to do so.**

I will respond to all inquiries within 24 hours of receipt except on weekends and holidays when it may be up to 48 hours. **I will only reply to e-mail messages that are sent from valid UofL addresses and will only reply between 9 AM and 9 PM eastern standard time.** If I do not respond as indicated above, I probably did not receive your message. Please only resend a message if it has been more than 24-hours (M-F, non-holidays) or 48-hours (weekends and holidays) since your initial message was sent.

Additional College of Business Resources

- We have our computer lab sanitized and will keep it sanitized if students want to use it.
- Spectrum will offer free broadband and Wi-Fi access for 60 days to households with K-12 and/or college students who do not already have a Spectrum subscription. [[See Here](#)]
- Student Emergency Fund offered through the Dean of Student's office that students have access to if they are struggling: <http://louisville.edu/dos/help/studentemergencyfund>

Required Technological Tools and Instructional Modality:

- You will need a **desktop or laptop** computer with *Microsoft Word* and *Excel*, or the equivalent. The College of Business
- **Blackboard** – we will use the traditional features such as the assignment and testing functions (as necessary) but will also use *Collaborate Ultra* to facilitate our in-class discussions. This feature is already enabled in Blackboard and you will find a link to “*Virtual Classroom*” in the left navigation bar.
 - All sessions will be recorded for those who cannot attend “live” (*synchronously*) and for your future reference. **Please email me if you know in advance you cannot attend synchronously.** I will post a link to the recording after each class.
 - I will host virtual office hours and make Group Sessions [*you will be assigned a group number for each group case*] available for group meetings, case preparation, or other use at your discretion.
 - There is an option (details in the Virtual Classroom) to join the lecture by phone if you are not on your computer.
 - Here is a link that describes some FAQs related to Collaborate Ultra. [[See Here](#)]
- **Tableau** – free student version [[See Here](#)]
 - We will have case activities that may require the use of Tableau. If you do not have a base understanding of how to use Tableau, please let me know.

**UNIVERSITY OF
LOUISVILLE®**

COLLEGE OF BUSINESS

Course Objectives:

We will use case studies that mimic real-world problems to develop and apply critical thinking skills necessary for audit professionals. Case studies will emphasize developing and performing ad hoc analyses in the audit setting, and making systematic, well-justified judgments about complex and uncertain audit issues important in the contemporary audit environment. Many of the tasks will be unstructured. That is, I will provide detailed instructions but will assess your ability to apply these instructions and how you construct a final product that is consistent with high quality expected during and audit or during communications with others (including clients). **This is often the most difficult part about not only this course, but learning *how* to be a good auditor.** We will practice often!

<i>Learning Outcomes</i>	
LO 1	Identify the relevant auditing question or issue to be addressed, regardless of topic or domain.
LO 2	Identify an appropriate approach to addressing the question or issue.
LO 3	Execute the chosen approach to address the issue.
LO 4	Make decisions based on your analysis of the issue.
LO 5	Communicate results and decisions to relevant stakeholders.

IMPORTANT: Auditing is *not like other accounting courses* where you can reach a *defined textbook answer* for the situations we will discuss. Auditors make *judgments* about complex accounting information. However, in this course you will develop and internalize a *model for conducting an audit* among high-quality auditors and as identified above. Importantly, keep in mind that auditing requires action, it is not a spectator sport!

Assessments and Grading Criteria:

Daily Assignments (<i>In-Class and/or Prepared for Class</i>)	100 points
Case 1: Patrick's Hardware [<i>Individual</i>]	50 points
Case 2: Souper Bowl, Inc [<i>Group</i>]	100 points
Case 3A: Auditor-Client Negotiation [<i>Individual</i>]	25 points
Case 3B: Auditor-Client Negotiation [<i>Group</i>]	75 points
Final Project: PCAOB Inspection Response [<i>Individual</i>]	150 points
Professionalism	100 points
<i>TOTAL POINTS POSSIBLE</i>	<i>600 points</i>

Letter grades are only relevant when I assign your final grade for the course based on the number of total points *you have earned*. Letter grades will be assigned as follows:

- A: over 90% of total points
- B: over 80% of total points
- C: over 70% of total points

I will assign +/- cut-offs at my discretion at the end of the semester. I reserve the right to curve grades at the end of the semester to reduce the threshold for an A, B, etc. I will *not* curve grades so that greater than 90% is required for an A, 80% for a B, etc. *Extra credit points may be offered at the discretion of the professor. Please do not ask for extra credit opportunities otherwise.*

UNIVERSITY OF LOUISVILLE®

COLLEGE OF BUSINESS

Group Case-based Projects [Patrick's Hardware, Souper Bowl, Inc and Auditor-Client Negotiation]:

You will complete **THREE** group projects this term. You will work on these projects in part during class time, but expect to spend additional time outside of class to finalize your analysis and deliverables. You will be assigned to your groups at the beginning of the term. You may self-select into small groups on informal "in-class" group activities.

Individual Case-based Projects [Auditor-Client Negotiation and PCAOB Response]:

You will complete **TWO** individual projects this term. You will work on these projects primarily outside of class to develop your deliverables.

Daily Assignments:

You will complete various assignments designed to help you prepare to participate in class and/or to contribute to your groups. These assignments are listed in the Course Schedule. Details will be posted on Blackboard at least one week in advance, and I will discuss them in class as necessary. *Examples of these assignments include research discussion questions and a current events write-up.* All assignments will be submitted via Blackboard **by the time and date noted in Blackboard**; I do not accept late work. *Note that these assignments require outside reading and preparation to demonstrate competence that enables full participation "in class" or as a member of your group.*

Professionalism:

I expect you to arrive on time for class [*when synchronous meetings are scheduled*], meetings with me [*either in person or virtually*] or meetings with your group members [*either in person or virtually*]; pay full attention, communicate in appropriate ways, and contribute to class discussions and group meetings.

- I expect your email and other communication in or out of class with me or your colleagues will be conducted in a professional manner. Emails should be succinct, clear, grammatically correct, polite and include proper salutations for me (e.g., Professor Barr-Pulliam).
- At a *minimum*, you should *expect* to spend **at least 3 hours of study for every hour of class time** each week.
- I expect that you will attend every class. I do not take formal attendance. However, I expect that you will give class your **full** attention. Texting, checking email or social media, avoiding eye contact (in directed interactions), or otherwise disengaging from classroom activities indicates that your attention is not on class activities. [*These policies are more readily monitored in face-to-face class meetings.*]
- **I will assign points based on the above contributions as follows:**
 - **Outstanding** (80-100 points): Contributions reflect exceptional preparation. Ideas offered are always substantive and provide one or more major insights as well as direction for the class. Challenges are well-substantiated and persuasively presented. If this person were not a member of the class, the quality of discussion would be markedly diminished.
 - **Good** (60-80 points): Contributions reflect thorough preparation. Ideas offered are usually substantive and provide good insights and sometimes direction for the class. Challenges are well-substantiated and often persuasive. If this person were not a member of the class, the quality of discussion would be diminished.
 - **Adequate** (40-60 points): Contributions reflect satisfactory preparation. Ideas offered are sometimes substantive, provide generally useful insights, but seldom offer a new direction for the discussion. Challenges are sometimes presented, are fairly well substantiated, and are sometimes persuasive. If this person were not a member of the class, the quality of discussion would be diminished somewhat.
 - **Non-participant** (0-40 points): This person says little or nothing in class and in group meetings. If this person were not a member of the class, the quality of discussion would not change.
 - **Unsatisfactory** (0-40 points): Contributions reflect inadequate preparation. Ideas offered are seldom substantive, provide few if any insights, and never provide a constructive direction for the class. Integrative comments and effective challenges are absent.

UNIVERSITY OF
LOUISVILLE[®]

COLLEGE OF BUSINESS

Student Responsibilities / College and University Issues	
University of Louisville student conduct and responsibilities	<p>This course will abide by University of Louisville student conduct and responsibilities with regards to ethics and related issues: http://louisville.edu/dos/students/code-of-student-conduct.html http://louisville.edu/dos/policiesprocedures/student-rights-and-responsibilities-1-1.html</p> <p><u>Title IX/Clery Act Notification</u> Sexual misconduct (including sexual harassment, sexual assault, and any other nonconsensual behavior of a sexual nature) and sex discrimination violate University policies. Students experiencing such behavior may obtain confidential support from the PEACC Program (852-2663), Counseling Center (852-6585), and Campus Health Services (852-6479). To report sexual misconduct or sex discrimination, contact the Dean of Students (852-5787) or University of Louisville Police (852-6111).</p> <p>Disclosure to University faculty or instructors of sexual misconduct, domestic violence, dating violence, or sex discrimination occurring on campus, in a University-sponsored program, or involving a campus visitor or University student or employee (whether current or former) is not confidential under Title IX. Faculty and instructors must forward such reports, including names and circumstances, to the University's Title IX officer.</p> <p>For more information, see the Sexual Misconduct Resource Guide.</p>
Sexual Harassment	<p>The University of Louisville strives to maintain the campus free of all forms of illegal discrimination as a place of work and study for faculty, staff, and students. Sexual harassment is unacceptable and unlawful conduct and will not be tolerated in the workplace and the educational environment. Unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature constitute sexual harassment, even when carried out through computers or other electronic communications systems. Students and Instructors are protected from Sexual Harassment according to the Affirmative Action policy, the Student Code of Conduct, and the UofL Computer Account Usage Agreement.</p> <p>Anyone experiencing Sexual Harassment should refer to the links above and/or contact the PEACC Program at 852.2663 and an advocate will explain your choices. This is a free and confidential service. Anyone who would like to receive more information or provide training to a classroom can contact a PEACC representative at 852.2663 and may use the educational modules provided by the PEACC Program.</p> <p><u>In this Course</u> <i>I believe that everyone should be able to participate in my class without the fear of sexual harassment, and I am committed to the university's policy. Additionally, certain behaviors are inappropriate even if they do not meet the technical criteria for harassment. Be respectful to each other.</i></p>
Students with Disabilities	<p>The University of Louisville is committed to providing access to programs and services for qualified students with disabilities. If you are a student with a disability and require accommodation to participate and complete requirements for this class, notify me immediately and contact the Disability Resource Center (Stevenson Hall, 502.852.6938) for verification of eligibility and determination of specific accommodations.</p> <p>For more information, visit the Disability Resource Center.</p>

UNIVERSITY OF
LOUISVILLE[®]

COLLEGE OF BUSINESS

University and College of Business student conduct and responsibilities	<p>Academic dishonesty is prohibited at the University of Louisville. It is a serious offense because it diminishes the quality of scholarship, makes accurate evaluation of student progress impossible, and defrauds those in society who must ultimately depend upon the knowledge and integrity of the institution and its students and faculty.</p> <p>For more information, visit the Code of Student Rights and Responsibilities (Sections 5. and 6.).</p> <p>This course will abide by College of Business student conduct and responsibilities with regards to ethics and related issues: http://business.louisville.edu/students/college-of-business-academic-dishonesty-policy</p>
Statement on Diversity	<p>The University of Louisville strives to foster and sustain an environment of inclusiveness that empowers us all to achieve our highest potential without fear of prejudice or bias.</p> <p>We commit ourselves to building an exemplary educational community that offers a nurturing and challenging intellectual climate, a respect for the spectrum of human diversity, and a genuine understanding of the many differences-including race, ethnicity, gender, gender identity/expression, sexual orientation, age, socioeconomic status, disability, religion, national origin or military status-that enrich a vibrant metropolitan research university.</p> <p>We expect every member of our academic family to embrace the underlying values of this vision and to demonstrate a strong commitment to attracting, retaining and supporting students, faculty and staff who reflect the diversity of our larger society.</p> <p>For more information, visit the Office of Diversity.</p>
Religious holiday conflict policy	<p>Federal law and university policy prohibit discrimination on the basis of religious belief. It is the policy of the University of Louisville to accommodate students, faculty, and staff who observe religious work-restricted holy days.</p> <p>Students: Students who observe work-restricted religious holy days must be allowed to do so without jeopardizing their academic standing in any course. Faculty are obliged to accommodate students' request(s) for adjustments in course work on the grounds of religious observance, provided that the student(s) make such request(s) in writing during the first two (2) weeks of term.</p> <p>Deans and department chairs must investigate and resolve student complaints arising from alleged faculty failure to make reasonable accommodations under these guidelines.</p> <p>For more information, view the Calendar and Policy on Religious Holy Days and Observances.</p>
Proprietary Materials	<p>Lectures and related materials are either the property of the textbook authors or the professor. As such, <i>you may not copy any materials</i> without specific consent. <i>You may not record lectures</i> without prior consent from the professor. Computers, iPads and other electronic devices are allowed in the classroom but may not be used for recording purposes. <i>[Lectures will be recorded by the professor this term.]</i></p>
Communication	<p>E-mail is the primary form of communication for this course outside of the classroom. I send group and individual e-mails to the class via Black Board, which uses the UofL provided e-mail addresses for all students. Each student is responsible for keeping current with such communication.</p>

UNIVERSITY OF
LOUISVILLE[®]

COLLEGE OF BUSINESS

Helpful Websites	<p>University Libraries http://library.louisville.edu/home</p> <p>Virtual Writing Center http://louisville.edu/writingcenter</p> <p>American Institute of Certified Public Accountants http://www.aicpa.org</p> <p>Securities and Exchange Commission (click on Edgar) http://www.sec.gov</p> <p>Public Company Accounting Oversight Board http://www.pcaobus.org</p> <p>Financial Accounting Standards Board http://www.fasb.org</p> <p>Kentucky Society of CPAs http://www.kycpa.org</p> <p>National Association of State Boards of Accountancy http://www.nasba.org</p> <p>CPA Exam http://www.cpa-exam.org</p> <p>Kentucky State Board of Accountancy http://cpa.ky.gov</p> <p>Audit and Attest standards: http://www.aicpa.org/Research/Standards/AuditAttest/Pages/audit%20and%20attest%20standards.aspx</p>
------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

UNIVERSITY OF
LOUISVILLE[®]

COLLEGE OF BUSINESS

This course is organized into three parts as follows:

<i>Part 1: What to do with a problem...</i>
1. The tools you will need:
a. Framework for analyzing a problem
b. Sampling
c. Data analytics basics
2. Applications to audit topics:
a. Risk assessment
b. Complex judgements
c. Fraud
<i>Part 2: Factors that influence auditor judgment and behavior...</i>
1. Auditor and client incentives
2. Regulator influence
<i>Part 3: Life skills for accounting grads...</i>
1. Career predictions and transition from student to professional

The schedule below includes the module, activities, readings, and assignments for each class meeting. Assignments in bold must be submitted via Blackboard *by the due date noted in Blackboard*. **Be sure to check Blackboard for due dates.** Group assignments are denoted with an asterisk (*); all other assignments should be completed individually. ***You may work together on individual assignments as far as receiving advice, but note that similarity of your work to another classmate will be evaluated closely and penalties imposed where applicable. I will enable the similarity checker in Blackboard to facilitate this evaluation.*** Refer to Blackboard for detailed assignment instructions and to ensure that you are prepared for class each day.

The schedule below is tentative; any revisions will appear in Blackboard with an announcement. Also, note that all hyperlinks are active. I will provide the links in Blackboard as well.

UNIVERSITY OF LOUISVILLE®

COLLEGE OF BUSINESS

COURSE SCHEDULE (*TENTATIVE*)

Date	Module and Topic(s)	In Class Activity:	Pre-Class Readings/Assignments Due:
Week 1: 24 March (Tuesday)	0 – <i>Course Introduction</i> 1.1a – <i>Framework for analyzing a problem</i>	Course introduction IMPACT model: <i>a framework for ad hoc analyses</i> Rosie’s East End Restaurant* <i>[In-class group activity]</i>	Read and Prepare: <ul style="list-style-type: none"> ▪ Syllabus ▪ Read Rosie’s East End Restaurant case preparation ▪ Write-up (no slides) due by 11:59 PM
Week 1: 26 March (Thursday)	1.1b – <i>Sampling</i>	Patrick’s Hardware Case* <i>[group work session]</i>	Read and Prepare: <ul style="list-style-type: none"> ▪ AS 2315 – Sampling ▪ MUS example ▪ Read Patrick’s Hardware case prep ▪ Write-up (no slides) due by 11:59 PM
Week 2: 31 March (Tuesday)	1.1c – <i>Data analytics basics</i> [Part I]	Souper Bowl, Inc. Case <i>[group work session]</i>	Read and Prepare: <ul style="list-style-type: none"> ▪ Different perspectives on data analytics in auditing ▪ Discussion Questions (<i>based on assigned perspective</i>) due by 6 PM ▪ Read Souper Bowl, Inc. case prep
Week 2: 2 April (Thursday)	1.1c – <i>Data analytics basics</i> [Part II] 1.2a – <i>Risk Assessment</i> [Part I]	Souper Bowl, Inc. Case* <i>[group presentations]</i>	Read and Prepare: <ul style="list-style-type: none"> ▪ AS 2101 – Audit Planning ▪ AS 2105 – Materiality ▪ Write-up (no slides) due by 6 PM
Week 3: 7 April (Tuesday)	1.2a – <i>Risk Assessment</i> [Part II]	Audit Risk Model Exercise <i>[In-class group activity]</i>	Read and Prepare: <ul style="list-style-type: none"> ▪ AS 2110 – Risk Assessment ▪ AS 2201 – ICFR ▪ Read Audit Risk Model Activity

UNIVERSITY OF
LOUISVILLE[®]

COLLEGE OF BUSINESS

Date	Module and Topic(s)	In Class Activity:	Readings/Assignments:
Week 3: 9 April (Thursday)	1.2b – <i>Complex Judgments</i> 1.2c – <i>Fraud</i>	Discussion of Estimates, Specialists, and Fraud <i>[In-class group activity]</i>	<u>Read and Prepare:</u> <ul style="list-style-type: none"> ▪ Research Discussion Questions: <i>Barr-Pulliam, Joe, Mason & Sanderson (2019)</i> ▪ AS 2501 – Auditing Estimates ▪ AS 2502 – Auditing Fair Value ▪ AS 1201 – Using Specialists ▪ AS 2401 – Consideration of Fraud
Week 4: 14 April (Tuesday)	2.1 – <i>Auditor and client incentives</i> [Part I]	Auditor Incentives Discussion Auditor-Client Negotiation Case <i>[group work session]</i>	<u>Read and Prepare:</u> <ul style="list-style-type: none"> ▪ Research Discussion Questions: <i>Nelson, Elliott & Tarpley (2002)</i> ▪ Auditor Negotiation Case <i>[Individual] Due by 6 PM</i>
Week 4: 16 April (Thursday)	2.1 – <i>Auditor and client incentives</i> [Part II] 2.2 – <i>Regulator influence</i> [Part I]	Auditor-Client Negotiation Case* <i>[group negotiations]</i>	<u>Read and Prepare:</u> <ul style="list-style-type: none"> ▪ Auditor Negotiation Case [Group] <i>Due by 11:59 PM</i> ▪ Read Jackson, Barr-Pulliam & Bowlin (2015) <i>[no write-up]</i>
Week 5: 21 April (Tuesday)	2.2 – <i>Regulator influence</i> [Part II]	Audit Evidence & Reporting <i>[In-class group activity]</i>	<u>Read and Prepare:</u> <ul style="list-style-type: none"> ▪ AS 2810 – Evaluating Audit Results ▪ AS 3101 – Audit Reporting ▪ Read audit evidence and reporting activities as preparation
Week 5: 23 April (Thursday)	3.1 – <i>Career predictions and transition from student to professional</i>	PCAOB Inspection Response Project Presentations	<u>Read and Prepare:</u> <ul style="list-style-type: none"> ▪ PCAOB Inspection Response Write-up and Presenter Slides <i>Due by 6 PM</i>