The University of Texas at Tyler  
College of Business & Technology  
Fall 2016

Course Number  
ACCT 4368.001 and ACCT 5368.001

Course Title  
Internal Auditing

Instructor  
Kathryn W. Kapka, MBA, CPA, CIA, CGAP, CGMA

Office Information  
Room – BUS 126  
Phone 903-566-7114  
email: kkapka@uttyler.edu

Note: Preferred method of contact is email.

Office Hours  
Monday & Tuesday: 5:00 – 6:00 pm  
Other office hours by appointment.

Class Room/Time  
BUS 104; Monday 6-8:40 pm

Required Text  
Internal Auditing, Assurance & Advisory Services  
Reding, Sobel, Anderson, et al  
Publisher: IIA  

Teaching Method  
Lecture, class discussion, problem solving and analysis

Course Description  
In depth study of auditing standards and their application to the  
review, analysis and subsequent reporting of financial statements.  
Please note: This course is one of three courses required to obtain  
the Internal Assurance certificate. It is NOT on file with the TSBPA as  
a course eligible to meet CPA certification requirements.

CBT Core Values  
- PROFESSIONAL PROFICIENCY  
- TECHNOLOGICAL COMPETENCE  
- GLOBAL AWARENESS  
- SOCIAL RESPONSIBILITY  
- ETHICAL COURAGE

Syllabus  
This syllabus and Assignment Schedule is intended to be a guide or a plan of what I will teach  
this semester. Both the syllabus and the assignment schedule are subject to revision at any  
time. As necessary, I will adjust the schedule appropriately and notify the class via Blackboard.
Statement of Learning Objectives
By the end of this course, students should be able to:

- Demonstrate adequate knowledge of current auditing principles and Statements of auditing Standards.
- Determine audit objectives for a financial statement audit.
- Assess an appropriate level audit risk for a financial statement audit.
- Execute audit procedures for a financial statement audit.
- Write a professional audit report and opinion.

Course Objectives
1. KNOWLEDGE OBJECTIVES:
   A. To develop an understanding of auditing principles.
   B. To understand the framework of standards that governs application of the principles of auditing.
   C. To apply the standards and auditing principles to a business entity.
   D. To develop communication skills necessary to the auditing profession.
   E. To obtain sufficient knowledge of auditing principles in order to successfully complete the Certified Public Accountant (CPA).

2. COMPETENCIES TO BE DEMONSTRATED IN THIS COURSE INCLUDE:
   1. COMPUTER-BASED SKILLS:
      A. Word Processing – assignments given throughout the semester which are typed in Microsoft Word.
      B. Spreadsheets – will be discussed in relation to their use as audit evidence.
      C. Presentation software – will be used by the instructor to present information.
      D. Database manipulation – discussed in relation to its use in obtaining audit evidence.
      E. Internet Search Skills – through location of on-line sources for writing assignment.

   2. COMMUNICATION SKILLS:
      A. Written – students are expected to exhibit competent technical writing skills in preparing responses to study guides, problems and cases assigned in class.
      B. Oral – students are expected to participate in class discussion and provide individual responses to questions/issues posed in class.

   3. INTERPERSONAL SKILLS:
      A. Team-based abilities – opportunities will occur throughout the semester for both impromptu and assigned group activities. Students are expected to demonstrate consensus building and persuasive discussion in completing group assignments.
      B. Leadership – Students will develop leadership skills through in-class small group assignments and presentations of discussion results.
      C. Conflict resolution – Students are presented scenarios of conflicts with audit clients and taught how to respond to certain client/auditor scenarios.

   4. PROBLEM SOLVING (CRITICAL THINKING):
      A. Conceptual thinking – Successful application of concepts learned to questions, cases, and issues is an essential requirement of this course.
B. Gathering and analyzing data - Students are expected to have sufficient research skills to complete class assignments, including manual and computer-aided research.

C. Quantitative/Statistical skills – Students are expected to apply various analytical methods in forming responses to questions and cases.

D. Creativity and innovation – not specifically addressed in this course.

5. ETHICAL ISSUES IN DECISION MAKING AND BEHAVIORS:
A key component in this course is an auditor’s ability to respond to ethical dilemmas during the course of performance of duties. Ethical issues pertaining to the profession of Auditing and Accounting are discussed in class via case studies in which students must ascertain the ethical choices to be made by a hypothetical auditor.

6. PERSONAL ACCOUNTABILITY FOR ACHIEVEMENT:
A. Meeting deadlines – students are expected to submit all work by the due date as stated in the Assignment Schedule (separate document). No late work will be accepted without previous arrangements. Tests may be taken early with instructor permission. Make-up tests will not be offered except in extreme circumstances.
B. Quality of work performed – students are expected to put forth sufficient effort in preparation for class in order to participate in class discussions. Written work should be of the high quality free from typographical errors and in the format requested by the instructor.

7. COMPETENCE IN BASIC BUSINESS PRINCIPLES:
A. Competence in major field and grounding in other major core areas – students are expected to draw upon knowledge obtained in other accounting courses in order to apply the auditing principles learned in this course. Specifically, concepts learned in Intermediate I and II, as well as statistics are applied to cases for learning purposes.
B. Awareness of International as well as domestic implications of business decisions – minor emphasis will be placed on international audit requirements.
C. Understanding and appreciation of strategic impact of business decisions – political, social, and legal issues pertaining to the auditing profession will be discussed at length during this course.

3. STUDENT OUTCOMES - By the end of this course, students should be able to:
A. Identify key concepts included in the Statements of Auditing Standards (SAS).
B. Demonstrate (through application) an understanding of auditing principles and governing standards.
C. Illustrate good written good communication skills through completion of exercises and/or cases assigned during the semester.


**Topics Covered**

<table>
<thead>
<tr>
<th>Topic</th>
<th>Hours</th>
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</thead>
<tbody>
<tr>
<td>Authoritative Guidance - IPPF</td>
<td>3</td>
</tr>
<tr>
<td>Governance</td>
<td>3</td>
</tr>
<tr>
<td>Risk Management</td>
<td>6</td>
</tr>
<tr>
<td>Internal Control/COSO</td>
<td>6</td>
</tr>
<tr>
<td>Audit Sampling</td>
<td>3</td>
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<tr>
<td>Audit Evidence</td>
<td>6</td>
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<tr>
<td>Managing the Engagement</td>
<td>3</td>
</tr>
<tr>
<td>Communicating Results</td>
<td>4</td>
</tr>
<tr>
<td>Consulting</td>
<td>4</td>
</tr>
<tr>
<td>Total hours</td>
<td>38</td>
</tr>
</tbody>
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**Student Evaluation**

Total possible points:

- Exam 1 150
- Exam 2 150
- Final Exam 200
- In class Quizzes/Activities (5@25 pts) 125
- Multiple Choice (14 @ 5 pts +5 for all) 75
- Case Studies (5@50) 250
- Attendance/Participation 50

**Total points** 1000

**Grading Scale**

- 90% = A = 900 to 1000 points
- 80% = B = 800 to 899
- 70% = C = 700 to 799
- 60% = D = 600 to 699
- Below 60% = F = <599

**Note:**
If you find yourself a few points short of your desired goal at the end of the semester, do **not** email me and ask for something to do for additional credit! I will not create, and grade, a special assignment for just you! Any and all opportunities for points are available to all of my students. How many points you accumulate during the semester is up to you!

**Exams & Quizzes**

The exams will be administered in class and will consist of multiple choice and analytical problems. Three exams during the semester will test your knowledge and understanding of the material that has been presented. The final exam is not a cumulative exam over all material presented during the semester.

Make-up exams will not be allowed except under extreme circumstances. Should you need to be absent for an examination, it is your responsibility to reschedule with me, in advance of the examination date and time, for a time not to exceed two (2) days from the originally scheduled exam. Failure by you to schedule a make-up exam within these guidelines will cause the missed exam to be recorded as a zero (0), making it difficult to pass the course.
If you have any questions about your grade or progress, please see me during office hours as soon as such concerns arise. No grade will be changed or corrected two weeks after it is posted in Blackboard. **Issues concerning exam grades will not be discussed in class.** If you feel that there is an error on the grading of an exam, you must wait 24 hours and then come to my office during office hours to discuss. Be prepared to prove your case by showing the instructor the “correct” answer in the textbook.

**Make Up Policy**
No make-up assignments or exams will be allowed unless arrangements have been made prior to the due date. The standard policy of the School of Business regarding make-up exams will be observed at all times. If you cannot be present for an in-class activity, you must contact me the week before the scheduled activity. Make-up exams will not be given after graded exams are returned to students.

**Written Assignments/Quizzes**
The Multiple Choice Questions at the end of each chapter will be collected at the beginning of class. Your grade will be determined by your scores on a total of five in-class assignments and quizzes. Your assignments are due and will be collected on the day noted on the Assignment Schedule. There will be no make-ups of any quizzes or in-class assignments and no late assignments will be accepted for any reason, unless absence is due to official University business. With a little effort, and good attendance...every student should be able to accumulate the maximum 125 points in this category.

**Note:** If I feel that the class is not adequately preparing for class meetings, I reserve the right to administer pop quizzes and include quiz scores while determining your final grade.

**Attendance/Participation Policy**
Excessive absences will affect your grade. Do not schedule work, appointments or other activities on class meeting days. Since much of the content of this class involves interactive discussion, it is important that you attend class, are prepared for class, and be ready to present and defend your ideas and responses when call upon. Preparation for class includes having read the assigned material and completed the required homework. Office hours will not be spent repeating instructions to students who miss class. If you are absent, it is your responsibility to obtain materials and class notes from a classmate. Please respect the instructor and fellow students by not coming to class late, leaving early, disruptively talking during presentations, or having cell phones disrupt our time. The participation component of your grade will be determined on the basis of:

- Professional behavior in class, which includes behaviors such as arriving on time, not leaving early without first notifying your instructor, passing notes, talking in class, and sleeping in class.
- When class begins, you are expected to have your materials out and ready to learn.
- Maintain respect by listening attentively (without speaking to your neighbors) to both your instructor and your colleagues.
- Bring your phone to class, but silence it!
- Courteous interactions with the instructor, both in and out of the classroom.
- Courteous interactions with other students while in the classroom.

If I become aware of extremely unprofessional behavior by an individual toward classroom colleagues or the instructor, if an individual is consistently absent or tardy, or if an individual is
regularly disrespectful during class meetings (too much talking with neighbors), then that
individual can receive a zero (0) for the participation portion of their grade.

**Calculators**

Bring a standard 4 function calculator to class. No cell phones or devices capable of text-
messaging or any other form of outside the classroom communication will be allowed as a
calculator during an exam. If you bring a cell phone or other device capable of emitting tones or
ringing it must be silenced during class. Any student violating either of these rules on exam day
will have their exam collected immediately and must leave the classroom.

**Blackboard**

Changes in Assignment due dates and other announcements will be posted on blackboard. Any
changes will be made at least 48 hours in advance. You are responsible for any information
posted on Blackboard so please check it, and your student email regularly.

**Retention of Graded Papers**

Examinations and other graded documents will be returned for your inspection in class as soon
as they are graded. Unclaimed documents will be in my office and be available for pick-up
during scheduled office hours. At the end of the following semester, the documents will be
destroyed. It is your responsibility to resolve any questions or disputes about these documents
and their grading before their destruction; otherwise, I will assume you have waived your right of
protest and will destroy the documents. If you are absent when papers are returned, they will be
placed in an "unclaimed paper" box in my office. You may come to my office to retrieve them.
Any unclaimed papers (other than exams) will be destroyed after final grades are calculated.

**HOW TO BE SUCCESSFUL IN THIS CLASS**

--ATTEND CLASS!! You cannot learn if you are not here. I will not hold individual class sessions
for those who cannot be bothered to come to class. If you are absent, obtain the class notes
from a fellow student.

--Come to class prepared: including reading assigned materials, completing all assignments,
bringing a calculator and your textbook. I come to each class prepared to teach, and you should
come prepared to learn.

--You will get out of this class knowledge equal to the effort expended; minimum effort =
minimum results. Aim high for best results!

--Do the assignments...all of them! Even if you have accumulated sufficient points. Tactile
learning reinforces the concepts covered in class. Whether you complete the homework or not,
you are responsible for the concepts covered in all assignments.

--Do not wait until after Thanksgiving to realize that you are struggling. Come see me during
office hours at the first sign of trouble comprehending the material. Do not wait until the final
exam to seek help, and then expect a miracle!!

--I will not waste our valuable time in class, or reply to emails, answering questions that are in
this syllabus. This document was prepared and posted on Blackboard to provide you with a
reference for your questions not related to subject matter.
--Ask questions!! If you do not understand something, or desire a clarification – speak up! I will gladly explain and attempt to improve your understanding. Do not be afraid to ask questions...if you don’t understand, I assure you there are others in the class that don’t understand either!

--Do not dominate class time asking questions about material previously presented or in the syllabus. If I feel that your questions have been answered and you are still confused, I will suggest you come see me so that we do not utilize too much class time on individual issues.

--I will answer all emails within 24 hours. However, if you make a habit of emailing questions that should have been asked in class, I will suggest you speak up in class. Concepts covered in class will not be re-explained in an email – come to office hours! Also, email questions will not be considered class participation.

--Do not send me an email along the following lines...”Sorry I missed class. Did I miss anything important?” Seriously, this is probably my pet peeve! Every class is important!

**University Policies**
All policies and procedures of the University will be observed in the administration of this course and classroom.

**College of Business Statement of Ethics**
The ethical problems facing local, national, and global business communities are an ever-increasing challenge. It is essential the College of Business and Technology help students prepare for lives of personal integrity, responsible citizenship, and public service. In order to accomplish these goals, both students and faculty of the College of Business and Technology at The University of Texas at Tyler will:

- Ensure honesty in all behavior, never cheating or knowingly giving false information
- Create an atmosphere of mutual respect for all students and faculty, regardless of race, creed, gender, age or religion
- Develop an environment conducive to learning
- Encourage and support student organizations and activities
- Protect property and personal information from theft, damage, and misuse
- Conduct yourself in a professional manner both on and off campus

**Academic Dishonesty Statement**
The faculty expects from its students a high level of responsibility and academic honesty. Because the value of an academic degree depends upon the absolute integrity of the work done by the student for that degree, it is imperative that a student demonstrates a high standard of individual honor in his or her scholastic work.

Scholastic dishonesty includes, but is not limited to, statements, acts or omissions related to applications for enrollment of the award of a degree, and/or the submission, as one’s own work of material that is not one’s own. As a general rule, scholastic dishonesty involves one of the following acts: cheating, plagiarism, collusion, and/or falsifying academic records. Students suspected of academic dishonesty are subject to disciplinary proceedings.
University regulations require the instructor to report all suspected cases of academic dishonesty to the Dean of Students for disciplinary action. In the event disciplinary measures are imposed on the student, it becomes part of the student’s official school records. Also, please note that the handbook obligates you to report all observed cases of academic dishonesty to the instructor.

**Students Rights and Responsibilities**
To know and understand the policies that affect your rights and responsibilities as a student at UT Tyler, please follow this link: http://www.uttyler.edu/wellness/StudentRightsandResponsibilities.html

**Grade Replacement/Forgiveness**
If you are repeating this course for a grade replacement, you must file an intent to receive grade forgiveness with the registrar by the 12th day of class. Failure to do so will result in both the original and repeated grade being used to calculate your overall grade point average. Undergraduates will receive grade forgiveness (grade replacement) for only three course repeats; graduates, for two course repeats during his/her career at UT Tyler.

**State-Mandated Course Drop Policy**
Texas law prohibits a student who began college for the first time in Fall 2007 or thereafter from dropping more than six courses during their entire undergraduate career. This includes courses dropped at another 2-year or 4-year Texas public college or university. For purposes of this rule, a dropped course is any course that is dropped after the 12th day of class (See Schedule of Classes for the specific date). Exceptions to the 6-drop rule may be found in the catalog. Petitions for exemptions must be submitted to the Registrar's Office and must be accompanied by documentation of the extenuating circumstance. Please contact the Registrar's Office if you have any questions.

**Disability Services**
In accordance with federal law, a student requesting accommodation must provide documentation of his/her disability to the Disability Support Services counselor. If you have a disability, including a learning disability, for which you request disability support services/accommodation(s), please contact Ida MacDonald in the Disability Services office so that the appropriate arrangements may be made. In accordance with federal law, a student requesting disability services/accommodation(s) must provide appropriate documentation of his/her disability to the Disability Services counselor. In order to assure approved services the first class, diagnostic, prognostic, and prescriptive information should be received 30 days prior to the beginning of the semester services are requested. For more information, call or visit Disability Services located in the University Center, Room 3150. The telephone number is (903) 566-7079. Additional information may also be obtained at the following UT Tyler Web address: http://www.uttyler.edu/disabilityservices.

**Student Absence due to Religious Observance**
Students who anticipate being absent from class due to a religious observance are requested to inform the instructor of such absences by the second class meeting of the semester.

**Student Absence for University-Sponsored Events and Activities**
If you intend to be absent for a university-sponsored event or activity, you (or the event sponsor) must notify the instructor at least two weeks prior to the date of the planned absence. At that time the instructor will set a date and time when make-up assignments will be completed.

Social Security and FERPA Statement
It is the policy of The University of Texas at Tyler to protect the confidential nature of social security numbers. The University has changed its computer programming so that all students have an identification number. The electronic transmission of grades (e.g., via e-mail) risks violation of the Family Educational Rights and Privacy Act; grades will not be transmitted electronically.

Emergency Exits and Evacuation
Everyone is required to exit the building when a fire alarm goes off. Follow your instructor’s directions regarding the appropriate exit. If you require assistance during an evacuation, inform your instructor in the first class. Do not re-enter the building unless given permission by University Police, Fire department, or Fire Prevention Services

NEW! Concealed Handgun Policy, Effective August 1, 2016
UT Tyler respects the right and privacy of students 21 and over who are duly licensed to carry concealed weapons in this class. License holders are expected to behave responsibly and keep a handgun secure and concealed. The license holder bears the responsibility for safeguarding their handguns at all times, and must take all necessary precautions to ensure their handguns are secured in a manner that is most likely to prevent theft, loss, damage or misuse. Failure to secure a handgun or control a backpack or purse with a handgun at all times on the UT Tyler campus would be considered a failure to use reasonable care. License holders affiliated with UT Tyler who fail to use reasonable care in securing their handguns or act negligently are subject to disciplinary action, up to and including suspension, termination or non-renewal of appointment, or dismissal. More information is available at http://www.uttyler.edu/about/campus-carry/index.php.

NEW! UT Tyler a Tobacco-Free University, Effective August 1, 2016
All forms of tobacco will not be permitted on the UT Tyler main campus, branch campuses, and any property owned by UT Tyler. This applies to all members of the University community, including students, faculty, staff, University affiliates, contractors, and visitors. Forms of tobacco not permitted include cigarettes, cigars, pipes, water pipes (hookah), bidis, kreteks, electronic cigarettes, smokeless tobacco, snuff, chewing tobacco, and all other tobacco products. There are several cessation programs available to students looking to quit smoking, including counseling, quitlines, and group support. For more information on cessation programs please visit www_uttyleredu_tobacco-free.