

University of Hawaii at Manoa
ACCOUNTING 418 (AUDITING)
Spring Semester 2016

“Intention is manifest when the mind, with great earnestness, and of choice, fixes its view on any idea, considers it on every side, and will not be called off by the solicitation of other ideas”.

John Locke (1632-1704)

Instructor:

- Robert K. Hatanaka, MAcc, CPA; Tel: 497-1499
 - Email: rhatanak@hawaii.edu Office: A-402;
 - Office Hours: By appointment.

Class Meeting Schedule:

- CRN 88677; Wednesday, 18:00 to 20:45, BusAd E-202

Prerequisites:

- ACC 323 and ACC 409

Course Materials:

- American Institute of Certified Public Accountants Codification of Statements on Auditing Standards 2015 ISBN: 978-1-94165-158-2
- Peach Blossom Cologne Company Short Audit Case, 4th Edition, Jack W. Paul, published by McGraw-Hill/Irwin. ISBN: 13 9780073276595
- Custom e-book (McGraw-Hill Higher Education, ISBN: 0390878022; about \$5.00). Use the URL on the last page to access the site to order the book.

Course Description:

The course covers auditing concepts including Professional standards, professional ethics, legal liability of auditors, planning the audit, audit risk analysis, risk in audit planning, audit evidence, internal control over it audits, audit sampling, audit documentation, audit procedures for: cash and marketable securities, accounts receivable, notes receivable and sales, inventories and cost of goods sold, property, plant and equipment, accounts payable and other liabilities, debt and equity capital, revenues and expenses, auditor reports, other attestation and accounting services, exposure to international auditing, audit software, and writing skills for auditors and accountants.

Course Objectives

- To provide students with
 - A fundamental understanding of the theory and practice of independent financial auditing, and
 - An opportunity to engage in critical thinking, and to practice written and oral communication through the use of case studies, classroom discussion, and an audit practice case.

Writing Intensive Course

This course is designated as “Writing Intensive”. Written assignments, exams and the comprehensive final exam will be graded for spelling, punctuation, and grammar as well as content. Further, **all writing assignments must be successfully completed in order to pass this course.**

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Attendance and Class Participation

- * Attendance is mandatory.
- * Roll will be taken at the beginning of each class.
- * Attendance will account for 10% of each student's final grade.

"Dropping the Class", and "Students Who Disappear"

- * Check with OSAS for the last day to drop the course without a "W" grade and for the last day to drop the course WITH a "W" grade.
- * "Disappearing" Students: Those who stop attending class without having officially "dropped" will be given a grade of "F".

Student's responsibilities:

- * Read this syllabus including the schedule of assignments.
- * Note that this syllabus is subject to change; students should verify the due dates for all assignments.
- * Examinations and certain assignments will require hand written communication. Please keep in mind that if your handwriting is not legible it is substantively equivalent to not writing anything. Communication is only effective when the other party understands what you have communicated.
- * Attend each class. To avoid being penalized for missing a class, documentary evidence is required.
- * Before each class read the assignment, prepare analysis and/or practice case.
- * Participate and contribute to class discussion of materials, analysis and practice case.
- * Prepare written case assignments for submission for grading. See required format for written case analysis. These assignments will also serve as a basis for additional class discussion.
- * Late assignments will not be accepted.

ACADEMIC DISHONESTY

Because the University of Hawaii at Manoa is an academic community with high professional standards, its teaching, research, and service purposes are seriously disrupted and subverted by academic dishonesty. Such dishonesty includes cheating and plagiarism as defined below. Ignorance of these definitions will not provide an excuse for acts of academic dishonesty. Academic dishonesty as defined by the UH student conduct code (www.hawaii.edu/student/conduct) may lead to redoing the assignment, receiving a failing or reduced grade for the course or being referred to the uh dean of students for university disciplinary action. The University of Hawaii defines academic dishonesty as follows:

- Cheating includes but is not limited to giving or receiving unauthorized assistance during an examination; obtaining unauthorized information about an examination before it is given; submitting another's work as one's own; using prohibited sources of information during an examination; fabricating or falsifying data in experiments and other research; altering the record of any grade; altering answers after an examination has been submitted; falsifying any official University record; or misrepresenting of facts in order to obtain exemptions from course requirements.
- Plagiarism includes but is not limited to submitting, in fulfillment of an academic requirement, any work that has been copied in whole or in part from another individual's work without attributing that borrowed portion to the individual; neglecting to identify as a quotation another's idea and particular phrasing that was not assimilated into the student's language and style or paraphrasing a passage so that the reader is misled as to the source; submitting the same written or oral or artistic material in more than one course without obtaining authorization from the instructors involved; or "drylabbing," which includes obtaining and using experimental data and laboratory write-ups from other sections of a course or from previous terms.

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PARTICIPATION AND PROFESSIONAL BEHAVIOR

Professional behavior is required in this course which includes regularly attending class, being prepared for class, and actively participating in classroom discussions. **At the instructor's discretion, points may be deducted for behavior that is considered to be "unprofessional,"** examples of which include

- * Chronic tardiness and/or absences,
- * Disruptive classroom behavior (all cell phones should be turned off or placed on vibrate mode),
- * Inattentiveness,
- * Being disrespectful to fellow students and the instructor, and
- * "Begging" for points, and cheating.

Grading:

Grade Assignments:

Points Earned		Final	Points Earned		Final	Points Earned		Final
From	To	Grade	From	To	Grade	From	To	Grade
900	924	A-	925	974	A	975	1,000	A+
800	824	B-	825	874	B	875	899	B+
700	724	C-	725	774	C	775	799	C+
600	624	D-	625	674	D	675	699	D+
599	& below	F						

Grading Points:

Assignment	Max. Pts.
Attendance	100
Audit Practice Case (9 assignments, 40 points each)	360
8 Analysis Cases (25 points each)	200
2 Midterm Exams @ 100 points each	200
Comprehensive Final	140
Total	1,000

Tentative Schedule (all assignments, including practice cases and analysis cases)

Students should be prepared (read prior to class) to discuss the cases on such dates

<u>Subject</u>	<u>Assign</u>	<u>Date</u>	<u>Day</u>
Introduction to Assurance and Professional Standards (pgs 1-25)		13-Jan-16	Wed
Leigh-Ann Walker, Staff Accountant	<i>Anlys1</i>	13-Jan-16	Wed
AU-C 200 to 250		20-Jan-16	Wed
PROFESSIONAL CONDUCT AND INDEPENDENCE		20-Jan-16	Wed
Creve Couer Pizza, Inc.	<i>Anlys2</i>	20-Jan-16	Wed
AU-C 300 to 330 and AU-C500 and 9500		27-Jan-16	Wed
<i>Audit Planning</i>	AC 1	27-Jan-16	Wed
Sunbeam: Incentives and Pressure to Commit Fraud	<i>Anlys3</i>	27-Jan-16	Wed
AU-C 265, 9265, AU-C 315 Appendix B		3-Feb-16	Wed
Enron: The Control Environment	<i>Anlys4</i>	3-Feb-16	Wed
AU-C 315 Appendix C, AU-C 530		3-Feb-16	Wed
Midterm Exam		10-Feb-16	Wed

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Tentative Schedule (all assignments, including practice cases and analysis cases)

- * Anlys – Analysis case write-up assignment (italics)
- * AC – Audit practice case assignment (title case)

SCHOOL OF ACCOUNTANCY MANDATED DISCLAIMER:

- * This syllabus is a general plan for the subject course. Changes may be necessary.

COLLEGE OF BUSINESS ADMINISTRATION DISCLAIMER

- * Minor changes may be made in the course content as the semester progresses.

REQUIRED STATEMENT FROM THE OFFICE OF THE DEAN

Important note: In the case of bomb threat, please meet at the curbside of the East side of Campus Center. I will then give you instructions regarding where the class will meet.

<u>Subject</u>	<u>Assign</u>	<u>Date</u>	<u>Day</u>
Cash	AC 2	17-Feb-16	Wed
Investments in Securities (Supplemental case)	AC Sup	24-Feb-16	Wed
AU-C 501, 505, 520, 540		24-Feb-16	Wed
Accounts Receivable And Credit Sales	AC 3	2-Mar-16	Wed
<i>Sunbeam: Revenue Recognition</i>	<i>Anlys5</i>	2-Mar-16	Wed
Inventory And Purchases	AC 4	9-Mar-16	Wed
AP Processing, Unrecorded Liabilities / Payroll & Accrued Liabilities	AC 6	9-Mar-16	Wed
Midterm Exam		16-Mar-16	Wed
Property, Plant, And Equipment	AC 5	30-Mar-16	Wed
Waste Management: The Definition of an Asset	<i>Anlys6</i>	30-Mar-16	Wed
Notes Payable And Accrued Interest	AC 7	6-Apr-16	Wed
San Antonio Energy	<i>Anlys7</i>	6-Apr-16	Wed
AU-C 550, 560, 570, 580, 585		13-Apr-16	Wed
Completing the Audit	AC 8	13-Apr-16	Wed
LEGAL LIABILITY		20-Apr-16	Wed
1136 Tenants Corporation	<i>Anlys8</i>	20-Apr-16	Wed
AU-C 700, 9700, 705, 706		27-Apr-16	Wed
Completing the Audit	AC 8	27-Apr-16	Wed
Review		4-May-16	Wed
Final Exam		11-May-16	Wed

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CODIFICATION OF STATEMENTS ON AUDITING STANDARDS

AU-C §	Title
200	Overall Objectives of the Independent Auditor and Conduct of an Audit in Accordance with GAAS
210	Terms of Engagement
220	Quality Control of an Engagement Conducted in Accordance with GAAS
230	Audit Documentation
240	Consideration of Fraud in a Financial Statement Audit
250	Consideration of Laws and Regulations in an Audit of Financial Statements
260	The Auditor's Communication with Those Charged with Governance
265	Communicating Internal Control Related Matters Identified in an Audit
300	Planning an Audit
315	Understanding the Entity, Its Environment and Assessing the Risks of Material Misstatement
320	Materiality in Planning and Performing an Audit
330	Performing Audit Procedures in Response to Assessed Risks and Evaluating the Audit Evidence Obtained
402	Audit Consideration Relating to an Entity Using a Service Organization
450	Evaluation of Misstatements Identified During the Audit
500	Audit Evidence
501	Audit Evidence - Specific Considerations for Selected Items
505	External Confirmations
510	Opening Balances - Initial Audit Engagements, Including Reaudit Engagements
520	Analytical Procedures
530	Audit Sampling
540	Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures
550	Related Parties
560	Subsequent Events and Subsequently Discovered Facts
570	The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern
580	Written Representations
585	Consideration of Omitted Procedures After the Report Release Date
600	Special Considerations -- Audits of Group Financial Statements (Including the Work of Component Auditors)
610	Using the Work of Internal Auditors
620	Using the Work of an Auditor's Specialist
700	Forming an Opinion and Reporting on Financial Statements
705	Modifications to the Opinion in the Independent Auditor's Report
706	Emphasis-of-Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report
708	Consistency of Financial Statements
720	Other Information in Documents Containing Audited Financial Statements
725	Supplementary Information in Relation to the Financial Statements as a Whole
730	Required Supplementary Information
800	Special Considerations - Audits of Financial Statements Prepared in Accordance With Special Purpose Frameworks
805	Special Considerations - Audits of Single Financial Statements and Specific Elements, Accounts, or Items of a Financial Statement
806	Reporting on Compliance With Aspects of Contractual Agreements or Regulatory Requirements in Connection With an Audit
810	Engagements to Report on Summary Financial Statements
905	Alert That Restricts the Use of the Auditor's Written Communication
910	Financial Statements Prepared With a Financial Reporting Framework Generally Accepted in Another Country
915	Reports on the Application of Requirements of an Applicable Financial Reporting Framework
920	Letters for Underwriters and Certain Requesting Parties
925	Filings With the U.S. Securities and Exchange Commission Under the Securities Act of 1933
930	Interim Financial Information
935	Compliance Audits

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Go to the URL below to purchase the ebook which is required for this class.

<https://create.mheducation.com/shop/#/catalog/details/?isbn=9780390878021>