Class Meetings:

T/Th (2E section) 2:00 – 3:15 in BEC119
T only (RP section) 4:30 – 7:00 in BEC115

Instructor: Dr. James L. (Jamey) Worrell, CPA, CIA, CISA

Office: BEC 308B

Phone: 934-8873 (office, only during office hours), 205-514-1045 (cell, only between 9a, - 6p weekdays)

Office Hours: T (3:20 – 4:20), W (9 – 11), Th (3:30 – 5:30), and by appointment

BEST CONTACT MEANS: email – worrellj@uab.edu or cell phone


Required Technology: USB Thumbdrive (512K minimum storage capacity)

Course Web Site: Grades accessible via BlackBoard, course content accessible via Student Drive (http://www.business.uab.edu/studentdrive/Worrell)

Asking for Help

Office hours are a good time for you to ask questions and improve your understanding of what we do in class. If you can’t make regular office hours, I will be glad to make an appointment with you. I strongly encourage you to contact me via email with any questions. Note that I often have my office door closed, so don’t take this as a sign that I’m not on campus.

Introduction

This course examines the field and profession of internal auditing. This course will introduce the field of internal auditing, its standards for practice, and provide exposure to the tools and techniques used by internal auditors in practice. This course is excellent preparation for students desiring to pursue the Certified Internal Auditor certification.

Course Objective

The main objective for this course is to provide students with an opportunity to learn about the theory and practice of internal auditing and to apply internal auditing principles and techniques to selected audit problems. The IIA’s International Professional Practices Framework will be emphasized along with current issues. Students will practice their written and oral communication skills and will learn how to use audit-specific data analysis software.

Student Evaluation

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<tbody>
<tr>
<td>Exam 1</td>
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<td>Exam 2</td>
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<td>Exam 3</td>
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<td>Data Analysis Assignments</td>
<td>20%</td>
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<tr>
<td>Internal Audit Simulation</td>
<td>20%</td>
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<td>TOTAL</td>
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Grade distribution will be as follows:

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<tr>
<th>Grade Distribution</th>
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<tbody>
<tr>
<td>90.0 – 100</td>
<td>A</td>
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<td>80.0 – 89.99</td>
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<td>70.0 – 79.99</td>
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<td>59.99 – below</td>
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**NOTE THAT I DO NOT ROUND UP GRADES** (i.e., an 89.999999 is a B, not an A).

### Course Requirements

#### Exams (60% total course grade)

There will be three exams in this class. The class schedule indicates when the exams will be given and the material to be covered by each exam. Note that unless extenuating circumstances exist (as determined by the instructor), failure to take an exam during the exam window will automatically result in a grade of zero. The nature, scope, and composition of any make-up exams, if deemed appropriate by the instructor, will be determined by the instructor.

Exams 1 and 2 will be administered in class during our regularly scheduled class time. Exam 3 will be administered via Blackboard during the assigned course final exam window.

#### Data Analysis Assignments (4 individual homework assignments at 20% total course grade)

ACL for Windows is a very powerful data analysis software that is used to perform data verification and analysis on large data sets. ACL is used in all of the Big 4 public accounting firms, many larger internal audit functions, and across organizations to identify and analyze trends in data.

While some of the more elementary data analyses we’ll be doing may be more easily accomplished with Excel or Access, one of the many advantages that ACL has over these is that it preserves the integrity of the source data file…in other words, you CANNOT accidentally manipulate the underlying data. In addition, ACL has advanced features (such as scripting) and built in audit routines.

Over the course of the semester, I will post ACL FOUR assignments on the Student Drive. As assigned, you are to complete these exercises as individual assignments and submit the completed Word document with your answers in class on the date due. Unless extenuating circumstances exist (as determined by the instructor), assignments that are emailed to me directly will not be graded.

#### Group Case Study Project (20% total course grade)

The purpose of this case study is to provide you with the opportunity to engage in the activities associated with the “Perform” portion of the Assurance Engagement Process: (1) conduct tests to gather evidence, (2) evaluate evidence gathered and reach conclusions, and (3) develop observations and formulate recommendations.

You and your group will be standing in the shoes of staff-level internal auditors at Blazer Communications, an online book and content redistributor. Your team will be conducting the testing associated with a Procurement Process assurance engagement. In the course of conducting your fieldwork, you will gather evidence, perform tests of controls, document your tests and findings, and develop draft observations for internal audit management to evaluate and potentially include in the audit report to management.
This is not a trivial exercise. It is imperative that you start on this case as soon as it is assigned if you are to deliver a quality product. Like assurance engagements in the real world, you will be time constrained and you will have questions. For this case study, I will be serving as the assurance engagement manager.

You will receive more guidance on this assignment, as well as access to the various engagement files, later in the semester.

Executive Presence (10% potential total course grade effect)

Much of your learning will occur as you prepare for and participate in class discussion. Most people in business are evaluated much more on what they say, how they say it, and how they present themselves than on what they write. The classroom provides you an opportunity to hone your discussion, debate and impression management skills, skills that will be invaluable as you enter the workforce.

Your participation will not be evaluated based on what you know, but rather, on what you contribute to class discussions. At the same time, effective participation has much more to do with quality than quantity. In other words, those who dominate air time without contributing to the advancement of discussion will not be rewarded.

As this requirement is aimed at incenting you to develop your executive presence and discussion skills, it is important to note that some people feel it is acceptable to “multi-task” while in class (and also in meetings). Unless you are being disruptive, I will not prevent you from surfing the web, chatting on IM, or checking your PDA/cell phone for messages. However, just as your managers at work observe this behavior, so do I. While I can’t negatively impact your compensation or promotability (as will be the case in your job), I can and will impact your final course grade if you engage in these activities.

This component of your grade is assessed at the end of the semester based on your attendance, participation and collegiality in class. My expectation is that all students will conduct themselves in a collegial and professional manner. In those instances where this expectation is not met, I reserve the right to adjust final course points (and ultimately grade) accordingly where students fail to conduct themselves in accordance with the Executive Presence guidelines established above.

Class Policies

Academic Misconduct

Auditing is a profession built on integrity, objectivity, confidentiality and competence. As an accounting major and future accounting professional, you must subscribe to these core behaviors. As we have seen in the business world, when our professionals do not subscribe to these core behaviors and values, our profession and the reputation of our profession suffer. So to have we seen questionable actions by a small group of our students negatively impact the reputation and learning environment at UAB.

Simply stated, I have a zero tolerance policy for academic misconduct. If you are caught cheating on any assignment (irrespective of point value), you will receive an F for the course and I will vigorously pursue all remedies available under the UAB Academic Honor Code. Behaviors that constitute academic misconduct include but are not limited to: (1) turning in someone else’s work as your own, (2) requesting, receiving or using copies of exams, quizzes, or any assignment from prior semesters of this class, (3) taking screenshots of online-delivered quizzes/exams/assignments and emailing them to others, (4) collaborating on online-administered assessments, such as taking exams in groups or (5) aiding someone else in engaging in these behaviors. If you are aware of these actions occurring, it is your responsibility to make me aware of this as soon as possible. Witnessing these behaviors occurring and failing to come forward constitutes aiding others in engaging in academic dishonesty and will be treated accordingly.

The assessment of whether or not an activity constitutes academic misconduct lies with the instructor, and these assessments will be made in conformity with norms consistent with the accounting / auditing profession as well as those of an academic environment.
Reading Assignments

The course schedule lists readings that are to be read prior to class.

Late Assignments

Assignments are due at the assigned time. As a general policy, I do not accept late assignments. However, I reserve the right to accept late assignments on a case-by-case basis. For any late assignments that are accepted, a 30% late penalty will be assessed.

Departmental and University Policies

Grade Requirements Policy: Department of Accounting

Students must have a minimum grade of “C” in all accounting courses numbered 300 or above regardless of when those courses were taken. Also, the grade of “C” is a prerequisite for all accounting courses numbered above 300.

Academic Honor Code

All UAB students are expected to be familiar with the UAB Academic Honor Code as well as the School of Business Code of Professional Classroom Conduct. The code represents a commitment to integrity in the academic community and a respect for an individual’s educational endeavors:

I have read and, by choosing to become a member of the UAB academic community, accept the UAB Academic Honor Code. I understand that violation of this code will result in penalties as severe as expulsion from the university. I promise and affirm that I will not, at any time and under any circumstances, involve myself with abetting, cheating, plagiarism, fabrication, or misrepresentation while enrolled as a student at the University of Alabama at Birmingham.

Full Academic Honor Code:  http://www.app.uab.edu/progress_conduct_Griev.html


Disability Support

All students with disabilities seeking reasonable accommodation must register with the Office of Disability Support Services, 934 4205 (voice), 934 4248 (TDD). Thereafter, the students are encouraged to schedule appointments with the professor to discuss reasonable accommodation requests verified by the Office of Disability Support Services.

Inclement Weather

The inclement weather hotline number is 934 2165. In the event of inclement weather, students can call the hotline, listen to WBHM 90.3, and/or visit http://www.uab.edu for information about the status of campus operations. Please be advised that UAB is historically slow about publicly releasing university closure information, and faculty and staff do not receive such information in advance of public releases.
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<th>Topic</th>
<th>Assignment / Agenda</th>
<th>ACL Self Study / Audit Simulation</th>
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| Class Introduction / Introduction to Internal Auditing  | • Class logistics and Introduction to Internal Auditing  
  **Week 1**  
  **January 6th**  
  • Ch 1: Introduction to Internal Auditing  
    ○ LECTURE on Ch 1                                                                 |                                                                                                              |
| The IPPF: Ethics and Standards of Practice              | • READ: Ch 2: The IPPF  
    ○ LECTURE on Ch 2                                                                                           | ACL: Install ACL (see instructions in student drive ACL folder)                                        |
| Governance and Risk Management                          | • READ: Ch 3: Governance  
  • READ: Ch 4: Risk Management  
    • LECTURES on Chs 3 & 4                                                                 | ACL: ACL Assignment 1, due start of class on Jan 28th (assignment and related files in student drive ACL folder) |
| Internal Control                                         | • READ: Ch 6: Internal Control  
    ○ LECTURE on Ch 6                                                                                           | AUDIT SIM: groups (3 – 4) self-selected no later than Thur, February 6th                              |
| Exam 1 / Audit Simulation Assigned                       | • Tuesday, February 4th  
    ○ EXAM 1  
    • Covers readings and lectures from Ch 1 – 4, 6  
    • Blazer Communications Audit Simulation Assigned & Discussed                                                | AUDIT SIM: groups (3 – 4) self-selected no later than Thur, February 6th                              |
| Audit Evidence                                           | • READ: Ch 12: Introduction to the Engagement Process  
  • READ: Ch 10: Audit Evidence and Working Papers  
    ○ LECTURE on Ch 10                                                                                           | ACL: ACL Assignment 2, due start of class on Feb 11th (assignment and related files in student drive ACL folder) |
| Audit Sampling                                           | • READ: Ch 11: Audit Sampling  
    ○ LECTURE on Ch 11                                                                                           | ACL: ACL Assignment 3, due start of class on Feb 18th (assignment and related files in student drive ACL folder) |
| Conducting the Assurance Engagement                     | • READ: Ch 13: Conducting the Assurance Engagement  
    ○ LECTURE on Ch 13                                                                                           | ACL: ACL Assignment 4, due start of class on Feb 25th (assignment and related files in student drive ACL folder) |
| Communicating Engagement Outcomes / Exam Review          | • READ: Ch 14: Communicating Engagement Outcomes  
    ○ LECTURE on Ch 14                                                                                           | AUDIT SIM: RBI schedule opens via BlackBoard discussion thread on Feb 25th @ 8p                      |
| Exam 2                                                   | • Tuesday, March 11th  
    ○ EXAM 2  
    • Covers readings and lectures from Ch 10 – 14  
    • Audit Simulation Work Time                                                                                 | AUDIT SIM: RBI requested times due by Mar 3rd @ 8p                                                     |
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| Fraud Risks and Controls  
**Week 11**  
**March 17th** | • READ: CH 8: Fraud Risks and Controls  
○ LECTURE on Ch 8 | AUDIT SIM: DRAFT Work Papers and Test Plan due via BlackBoard on Mar 21st at 11:59p |
| Spring Break  
**Week 12**  
**March 24th** | | |
| REVIEW BY INTERVIEW  
**Week 13**  
**March 31st** | **Note: No formal class meetings or office hours this week … all RBI meetings will be held in BEC308B** | AUDIT SIM: RBI Week |
| IT Risks and Controls  
**Week 14**  
**April 7th** | • READ: Ch 7: IT Risks and Controls  
○ LECTURE on CH 7 | |
| Managing the Internal Audit Function / Course Wrap-up  
**Week 15**  
**April 14th** | • READ: Ch 9: Managing the Internal Audit Function  
○ LECTURE on Ch 9 | AUDIT SIM: FINAL DELIVERABLE DUE via CD at start of class on Apr 15th … NO LATE ASSIGNMENTS ACCEPTED |

**FINAL EXAM**  
covers readings and lectures from CH 7 – 9, all ACL assignments and Audit Simulation

T/Th sections (2E): Tuesday, Apr 22nd from 1:30 – 4p  
T only sections (RP): Tuesday, April 22nd from 4:30 – 7