

Course Syllabus

University of Texas at Dallas

Internal Audit

Course Information

<i>Course Number/Section</i>	ACCT 6380.501
<i>Course Title</i>	Internal Audit
<i>Course Location</i>	JSOM 2.902
<i>Semester</i>	Fall, 2016
<i>Days & Times</i>	Wednesday 7:00 PM – 9:45 PM

Professor Contact Information

<i>Professor</i>	Joseph Mauriello, CPA, CIA, CFE, CISA, CMA, CRMA, CFSA Director of Center for Internal Auditing Excellence
<i>Email Address</i>	joseph.mauriello@utdallas.edu Do not send homework to this email address. Only post homework to eLearning. You will not receive credit if you do not post to eLearning.
<i>Office Phone</i>	(972) 883-4729
<i>Office Location</i>	JSOM 3.710
<i>Office Hours</i>	By appointment only.
<i>Other Information</i>	Internal Audit Program Website: jindal.utdallas.edu/iaep UTD IIA/ISACA/ACFE Student Organization Website: www.utdallasiaa.com Course information is in eLearning

Course Pre-requisites, Co-requisites, and/or Other Restrictions

- The prerequisite for the class is that you have an undergraduate degree or be in the last 30 hours of the undergraduate degree program. Fast track students are strongly encouraged to take this course as it prepares you for the other courses and internships/full time internal audit positions.
- The other prerequisite for the class is that you have a strong desire to learn about Internal Audit. You should also have a strong interest in completing the nine to fifteen credit hour program in Internal Audit and taking the Certified Internal Auditor (CIA) or Certified Information Systems Auditor (CISA) exam.
- Students must have outstanding written and verbal communication skills **PRIOR** to taking the class. If this is an area you need to work on, you should **NOT** be in this class.

Course Description

The course will cover internal audit from a broad perspective that includes information technology, business processes, and accounting systems. Topics include internal auditing standards, risk assessment, governance, ethics, audit techniques, and emerging issues. The course covers the design of business processes and the implementation of key control concepts and uses a case study approach that addresses tactical, strategic, systems, and operational areas. Business improvements in the effectiveness and efficiency of business processes and controls will be covered in the areas of operations, finance and technology. The course is open to all degree programs and includes a series of

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courses for a concentration in internal audit. This is the first course leading to an Internal Auditor Education Partnership Certificate and will prepare students to sit for the Certified Internal Auditor exam. It is recommended that you integrate taking the CIA exam into your plans when taking the class. Those students have a high success rate in passing Parts 1 and 2 of the CIA exam.

This course requires a significant degree of participation from all students on projects throughout the course. If you feel you cannot put in the effort of the practical course case studies and real life audit experience it is recommended you NOT take this course. Past students have commented that this course requires a lot of work, but the value of the course was well worth it.

Student Learning Objectives/Outcomes

1. Be able to discuss internal audit standards, guidelines, and emerging issues such as the new COSO model, Sarbanes Oxley and the new IPPF internal auditing standards.
2. Learn how to be proficient in the use of Teammate, an automated audit workpaper system.
3. Be able to understand risks, controls, development of an audit program along with execution of fieldwork and the final audit report preparation and presentation.
4. Be able to distinguish between various industries' differences in major processes, risk and evaluation of operational data.
5. Be able to discuss the importance of business processes in the internal audit process along with the variances of audit groups based on industry and other environmental factors.
6. Be able to pass parts one and two of the Certified Internal Auditor (CIA) exam.
7. Be able to work with internal audit groups in a team setting.
8. Network with internal auditors in the DFW area and internationally.
9. Learn the concepts of efficient and effectively controlled environments. Also, be able to explain why these controls may not be necessary.
10. Develop skills necessary to be able to perform an internal audit and prepare an internal audit report.
11. Be able to describe some of the common features of audit software and be able to describe scenarios where to integrate software into audit practice.

Required Textbooks and Materials

- **Internal Auditing: Assurance & Consulting Services, 3rd Edition:** Urton Anderson, Mike Head, Sri Ramamoorti, Kurt Reding, Mark Salamasick, Cris Shreve, and Paul Sobel. ISBN 978-0-89413-740-2. The textbook is available at the Off-campus bookstore on Campbell Road at a discounted price or it can be ordered through the IIA International at 877-867-4957 or website at www.theiia.org. We will be using the third edition of this textbook which went through extensive changes from the second edition due to the new standards, technology and integration of new TeamMate exercises.
- **The Goal: A Process of Ongoing Improvement, Second Revised Edition:** Eliyahu M. Goldratt and Jeff Cox, 1992. The edition of the book doesn't really matter. Can be obtained from Half Price books, online or many other sources.
- **Student Membership in IIA International:** Required and reduced cost to students in an IAEP program. See www.theiia.org for more information on membership benefits. This will give you membership to the IIA for one year with subscription to the magazine and access to restricted areas of the website. In addition to significant discounts to any of the materials from the bookstore.

- **Access to the Protiviti KnowledgeLeader website:** Provided to students free of charge in this program. You will be provided with an ID and password to this site.

Recommended Course Materials

- **Gleim CIA Review Materials:** The material is available directly from Gleim at a discount to UTD students by calling their toll free number (800) 874-5346. You must mention that you are a UTD student when contacting Gleim. Other review materials and courses are available, but we have had good success with Gleim in the past. The three parts can be taken in any order.
- **CIA Model Exam Questions from the IIA International:** The model exam has not been updated to fit the requirements of the new three part CIA exam which went into effect July 1, 2013. The model does give you an idea of the real exam, however during 2013 it started varying more from the model exam.

Suggested Readings/Text

Information will be available in eLearning for the course. Numerous presentations will be used to compliment the course with current material and speakers will provide copies of materials for posting on eLearning.

Course Contents

Class Audit Project:

One of the most beneficial portions of the class is to get actual internal audit work experience. We have integrated actual internal audit work experience into this class since the first year of starting the program. Since the program has grown we have also made this into an even more beneficial experience for you while assisting some audit organizations complete their audit plans. You may have the opportunity to work on an audit with some of the leading internal audit functions in the Dallas / Fort Worth area. You must interview to work on this assignment with one of these audit groups. You can also choose not to work on an audit with one of these groups and work on the alternative project. During the first and second class you will receive more information about the audits along with the requirements of the audit. If you miss either of these two classes you should take this course in a subsequent semester. Typically the audits will require 5 to 10 hours outside of class per week. Usually the team selects a day of the week to work together, but it is up to the team and will be addressed as part of the interview process.

Alternate Class Project:

For those deciding not to work on the Internal Audit class project or those not being selected in the interview process you will have the opportunity to work on an alternative project. The number of students selected for the audits will vary based on the number of audits each audit group will perform along with the backgrounds of the students in the class. We try to give most students the option of working on one of these actual audits, however due to the increase in size of the class this may not always be possible. So if you do not have adequate time and cannot make commitments for the actual audit please tell us now and select the alternative project as you are taking away a slot for students that will make the time and benefit from this project. The alternative project this semester involves each student selecting a business process to document, evaluate the risks, document the audit program, perform testing and determine typical areas for improvement. The alternative project is meant to closely simulate a real audit. Each student will have to develop a proposal of what they will select and come up with a plan to complete the project. Other proposals for the alternative project can be discussed and proposed to the instructor, but require pre-approval early in the semester. All

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documentation for the alternative project will be kept in TeamMate and reviewed by the Teaching Assistants and Instructor.

CIA Review Exams:

Two tests will be given during the semester. These exams reflect the material seen on the actual CIA exam parts 1 and 2. Students will be expected to study and learn the exam material outside of class and be prepared with any questions during the class. Content for the tests is integrated into the course.

CIA Exam (Parts 1 and 2):

It is highly recommended that those students planning on completing the Internal Audit Education Partnership program sit for the CIA exam during the class or soon after. Students who have studied and scored high on the class test have all passed Part 1 and Part 2 when taken within weeks after the class test. If you take and provide evidence that you passed Part 1 of the CIA exam by December 16, 2016 then you will receive 100% on the in-class test. The same is true for Part 2 of the CIA exam.

Case Studies

Four case studies will be given at various points throughout the semester which will enable you to explore various topics related to internal auditing. Cases will be performed together in groups which will be assigned by the professor. The case details will be posted on eLearning. Please be sure each member of the group submits a copy of the assignment on eLearning before the case deadline.

TeamMate Assignments

Most audit groups utilize audit management software to help organize, plan, document, and conduct their audits. To ensure students will be given a chance to familiarize themselves with such software, we have implemented a number of TeamMate exercises in which you will be able to experience how audit work is documented. A portion of these TeamMate exercises will be directly graded on the TeamMate server and will not require you to submit anything on eLearning. Other TeamMate exercises may be paired with one of the four case studies and will count as part of the case study grade as well. The TAs will be available to help assist with any issues you may run into.

Other Assignments, Quizzes, and Class Participation

Throughout the semester, there will be other assignments given and quizzes for each chapter covered in the textbook. Class participation and attendance at the student chapter meetings is highly encouraged.

Other Class Activities

IIA Student Chapter (www.utdallasiaa.com)

During the fall semester of 2003 a student chapter of the IIA was formed at UTD. Participation in the chapter is a requirement for all those in the Internal Auditing Education Partnership program and participation is highly recommended for others in the internal audit class. Membership in the UTD student IIA/ISACA/ACFE student organization is \$20 per semester. Benefits include eligibility to interview for internships, full time positions, your addition to the resume book, company visits, free attendance at Dallas IIA Chapter meetings, North Texas ISACA meetings and weekly receptions with food. For those also interested in IT Audit it is recommended that you join the Information Systems Audit and Control Association (ISACA) with information available at www.isaca.org.

We continue to need assistance with the student chapter as the chapter will be having meetings, site visits, internship opportunities, receptions, and a resume book. Information sessions about the program will be held throughout the year with participation from the student chapter. This will be a great opportunity for those wanting to get full time employment or internships, to learn more about the program, or network with many companies throughout the country along with IIA International. Student Chapter meeting are weekly prior to the internal audit class and are held promptly at 5:30 pm. Attending student chapter meetings will reflect positively on your class participation grade and is highly correlated with your success in the program.

Dallas Chapter of the Institute of Internal Auditors (www.dallasiaa.org)

The Dallas IIA Chapter has monthly meetings during lunch on the first Thursday of the month. Two meetings will be held at UT Dallas during the fall semester and you are strongly encouraged to attend: September 2 and October 7. You are invited to attend the luncheon meetings from the Dallas Chapter of the IIA for free if you are a member of the IIA student organization and IIA International as long as you guarantee that you will show. You MUST register in advance. The sign-up form will be posted on the class discussion board. These meetings offer you an opportunity to network with audit professionals, hear great speakers, and learn more what is going on in the Dallas area. The local chapter has more than 2,000 members and is one of the few platinum chapters in the world. The international IIA site is www.theiia.org.

North Texas ISACA Meetings and Calendar (www.isacantx.org)

The North Texas Chapter of ISACA meetings are recommended for those interested in IT Audit. Similar to the Dallas IIA, free admission is available to members of our student chapter and they need to be a member of ISACA International. Student membership of ISACA International is \$25 annually. You must register online in advance at www.isacantx.org. The meetings are planned for the second Thursday of the month at lunch time. The local North Texas ISACA chapter has over 1,600 members and attendance is very important for those serious about getting into Information Technology Audit. The national website for ISACA is www.isaca.org.

Class Portal and Current Topics:

A number of websites will be valuable resources during the course of the semester. All students will have free access to the subscription service of the Protiviti KnowledgeLeader site. We are one of only few classes in the country to have this access. You will have an ID and password that is issued for use during this class. Current topics from the site will be discussed during the class. You will also receive a twice a month newsletter from Protiviti of current audit events. You are expected to follow-up and read accordingly for discussion in class.

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Class Schedule:

The class schedule is subject to change, based on the instructor's discretion. We will have guest speakers for the class and several case studies to cover. Changes to the schedule will be discussed in class.

<u>Week</u>	<u>Date</u>	<u>Topic</u>	<u>Case Study</u>	<u>Textbook</u>
1	8/24/2016	-Introductions -Internal Audit Project Discussion -Student Chapter Presentation -Resume Review Discussion -Introduction to Internal Audit -Audit Process and the COSO Model		Chapter 1
2	8/31/2016	-Risk Management-Audit Process and Audit Planning-UTD Audit – Toni Stephens		Chapter 4
N/A	9/2/2016	Resume Workshop for Assistance on Assignment #1		
3	9/7/2016	-The International Professional Practices Framework	Assignment #1 (Due Sept 4 th at 11:59pm)	Chapter 2
N/A	9/9/2016	-Interviews for Audit Assignments – Morning JSOM Career Center		
4	9/14/2016	-Corporate Governance		Chapter 3
5	9/21/2016	-Introduction to the Engagement Process	Case Study 1	Chapter 12
6	9/28/2016	-Business Risks and Processes		Chapter 5
7	10/5/2016	-Audit Sampling -Conducting the Assurance Engagement		Chapter 11 Chapter 13
8	10/12/2016	-Audit Evidence and Working Papers – Audit Automation and Teammate	Case Study 2	Chapter 10
9	10/19/2016	- TEST: CIA Exam 1 (Testing Center – all week)		
10	10/26/2016	- Internal Control - IT Risks and Controls The Goal		Chapter 6 Chapter 7
11	11/2/2016	-Communicating Assurance Engagement Outcomes and Performing Follow-up Procedures -The Consulting Engagement	Case Study 3	Chapter 14 Chapter 15
12	11/9/2016	-Fraud Risks and Controls		Chapter 8
13	11/16/2016	-Managing the Internal Audit Function	Case Study 4	Chapter 9
14	11/23/2016	Thanksgiving Break		
15	11/30/2016	-Student Project Presentations		
16	12/7/2016	-TEST 2: CIA Exam II (Testing Center – all week)		

Grading Policy

Your grade will consist of the following:

	<u>Percent</u>
Class Audit Project	25%
Two CIA Review Exams	25%

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Case Studies	25%
Class Assignments, Quizzes, and Participation	25%
Total Points	100%

Your final letter grade will be determined as follows:

A = 94 – 100

B = 84 – 86

C = 70 – 76

A- = 90 – 93

B- = 80 – 83

F = Below 70

B+ = 87 – 89

C+ = 77 – 79

Course Policies

Make-up exams

There are no excused absences from the exams without a written excuse from the academic dean. If there is a serious scheduling conflict, it is your responsibility to let the instructor know well in advance. All students should plan on taking exams as scheduled and if a conflict exists then the matter should be addressed well in advance of the exam date.

Class Quizzes

A three question multiple choice quiz will be given every week beginning the second week. These quizzes will be over material from the chapter to be covered in class. In the past these quizzes helped ensure that students read the text material and stayed current on the reading. A number of the quiz scores will be dropped at the instructor's discretion. However, there is no make up for missed quizzes and they will typically be given at the beginning of the class so do not be late to class.

Working in teams

Since much of your work will be case study and projects it is imperative that you start these projects early and meet with your teams. Teams that start the process late tend to not perform as well on various projects. Team issues should be dealt with early in project so adjustments can be made quickly. The instructor will not be held responsible for disputes that occur within teams and/or between team members. All students are expected to act in a manner consistent with the general expectations for a graduate student as well as in concert with University policies and guidance.

Class Assignments / Late Work

All assignments should be completed and turned in on time. A significant reduction or zero points will be received for late assignments. Late assignments may not be accepted and will be determined at the discretion of the instructor. A number of assignments will require you to prepare the assignment in PowerPoint and make a short presentation in class. Due to the increase in class size all groups may or may not be able to give a class presentation, but you should be prepared to give the presentation at any point. Most of these assignments will be due the Tuesday before class and should be posted to eLearning by each person in the group. Please do not send homework to my email or my TA's email address! Also do not send assignments to our eLearning email accounts; it should be uploaded to eLearning in the assignment area. Do not wait until the last minute to upload the assignment as the clock for the eLearning server may not be the same as your time. The system is set to allow you to resubmit the assignments up to the deadline if you have updates. Also, students have had problems in the past understanding how to upload to eLearning correctly. If in doubt, ask one of the TAs.

Class Attendance

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Notify the instructor in advance, if possible, if you cannot attend class. Class attendance is extremely important since many of the topics and guest speakers are unique to the class discussion. We will also be working on class projects involving actual audits with various audit groups meetings will be set up outside of class time for these groups to meet. If you know that will be a problem spending the time on the project please make a decision to sign up for the alternative project versus the audit project.

Since this is an extremely fast paced class I have found that those missing the first class have a lot of difficulty during the entire semester. If you are in this category you need to discuss with the TA to make sure you understand the requirements of the class. The first and second classes are the most important classes during the entire semester!

Classroom Citizenship

Discussion in class is the best way to learn as many of you bring varied backgrounds that can add different views to the class. Since this course has significant involvement with internal audit professionals and the Dallas IIA members it is imperative that students conduct themselves with the utmost professionalism. All students will have opportunities for employment at many companies through this program so keep in mind that your conduct is a reflection of the program and can impact the opportunities of others. We will also have guest speakers along with individuals visiting class periodically.

Field Trip Policies / Off-Campus Instruction and Course Activities

The course projects may require students to perform audit work off campus at one of the various audit locations in addition to areas around the UTD campus. It is imperative that students maintain appropriate standards of confidentiality and professionalism as they work on these projects. In addition there will be many opportunities to visit various companies and perform site visits. These activities are tied to the UTD IIA Student Chapter.

Student Conduct & Discipline

The University of Texas System and The University of Texas at Dallas have rules and regulations for the orderly and efficient conduct of their business. It is the responsibility of each student and each student organization to be knowledgeable about the rules and regulations which govern student conduct and activities. General information on student conduct and discipline is contained in the UTD publication, *A to Z Guide*, which is provided to all registered students each academic year.

The University of Texas at Dallas administers student discipline within the procedures of recognized and established due process. Procedures are defined and described in the *Rules and Regulations, Board of Regents, The University of Texas System, Part 1, Chapter VI, Section 3*, and in Title V, Rules on Student Services and Activities of the university's *Handbook of Operating Procedures*. Copies of these rules and regulations are available to students in the Office of the Dean of Students, where staff members are available to assist students in interpreting the rules and regulations (SU 1.602, 972/883-6391).

A student at the university neither loses the rights nor escapes the responsibilities of citizenship. He or she is expected to obey federal, state, and local laws as well as the Regents' Rules, university regulations, and administrative rules. Students are subject to discipline for violating the standards of conduct whether such conduct takes place on or off campus, or whether civil or criminal penalties are also imposed for such conduct.

Academic Integrity

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 demonstrate 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 or the award of a degree, and/or the submission as one's own work or 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.

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Plagiarism, especially from the web, from portions of papers for other classes, and from any other source is unacceptable and will be dealt with under the university's policy on plagiarism (see general catalog for details). This course will use the resources of turnitin.com, which searches the web for possible plagiarism and is over 90% effective.

Email Use

The University of Texas at Dallas recognizes the value and efficiency of communication between faculty/staff and students through electronic mail. At the same time, email raises some issues concerning security and the identity of each individual in an email exchange. The university encourages all official student email correspondence be sent only to a student's U.T. Dallas email address and that faculty and staff consider email from students official only if it originates from a UTD student account. This allows the university to maintain a high degree of confidence in the identity of all individual corresponding and the security of the transmitted information. UTD furnishes each student with a free email account that is to be used in all communication with university personnel. The Department of Information Resources at U.T. Dallas provides a method for students to have their U.T. Dallas mail forwarded to other accounts.

Withdrawal from Class

The administration of this institution has set deadlines for withdrawal of any college-level courses. These dates and times are published in that semester's course catalog. Administration procedures must be followed. It is the student's responsibility to handle withdrawal requirements from any class. In other words, I cannot drop or withdraw any student. You must do the proper paperwork to ensure that you will not receive a final grade of "F" in a course if you choose not to attend the class once you are enrolled.

Student Grievance Procedures

Procedures for student grievances are found in Title V, Rules on Student Services and Activities, of the university's *Handbook of Operating Procedures*.

In attempting to resolve any student grievance regarding grades, evaluations, or other fulfillments of academic responsibility, it is the obligation of the student first to make a serious effort to resolve the matter with the instructor, supervisor, administrator, or committee with whom the grievance originates (hereafter called "the respondent"). Individual faculty members retain primary responsibility for assigning grades and evaluations. If the matter cannot be resolved at that level, the grievance must be submitted in writing to the respondent with a copy of the respondent's School Dean. If the matter is not resolved by the written response provided by the respondent, the student may submit a written appeal to the School Dean. If the grievance is not resolved by the School Dean's decision, the student may make a written appeal to the Dean of Graduate or Undergraduate Education, and the dean will appoint and convene an Academic Appeals Panel. The decision of the Academic Appeals Panel is final. The results of the academic appeals process will be distributed to all involved parties.

Copies of these rules and regulations are available to students in the Office of the Dean of Students, where staff members are available to assist students in interpreting the rules and regulations.

Incomplete Grade Policy

As per university policy, incomplete grades will be granted only for work unavoidably missed at the semester's end and only if 70% of the course work has been completed. An incomplete grade must be resolved within eight (8) weeks from the first day of the subsequent long semester. If the required work to complete the course and to remove the incomplete grade is not submitted by the specified deadline, the incomplete grade is changed automatically to a grade of F.

Disability Services

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The goal of Disability Services is to provide students with disabilities educational opportunities equal to those of their non-disabled peers. Disability Services is located in the Student Services Building 3.200. Office hours are Monday-Thursday, 8:30 a.m. to 6:00 p.m. and Friday, 8:00 a.m. to 5:00 p.m.

The contact information for the Office of Disability Services is:

UT Dallas Student AccessAbility
800 W. Campbell Rd., SSB32
Richardson, TX 75083
(972) 883-2098 (voice or TTY)

Essentially, the law requires that colleges and universities make those reasonable adjustments necessary to eliminate discrimination on the basis of disability. For example, it may be necessary to remove classroom prohibitions against tape recorders or animals (in the case of dog guides) for students who are blind. Occasionally an assignment requirement may be substituted (for example, a research paper versus an oral presentation for a student who is hearing impaired). Classes enrolled students with mobility impairments may have to be rescheduled in accessible facilities. The college or university may need to provide special services such as registration, note-taking, or mobility assistance.

It is the student's responsibility to notify his or her professors of the need for such an accommodation. Disability Services provides students with letters to present to faculty members to verify that the student has a disability and needs accommodations. Individuals requiring special accommodation should contact the professor after class or during office hours.

Religious Holy Days

The University of Texas at Dallas will excuse a student from class or other required activities for the travel to and observance of a religious holy day for a religion whose places of worship are exempt from property tax under Section 11.20, Tax Code, Texas Code Annotated.

The student is encouraged to notify the instructor or activity sponsor as soon as possible regarding the absence, preferably in advance of the assignment. The student, so excused, will be allowed to take the exam or complete the assignment within a reasonable time after the absence: a period equal to the length of the absence, up to a maximum of one week. A student who notifies the instructor and completes any missed exam or assignment may not be penalized for the absence. A student who fails to complete the exam or assignment within the prescribed period may receive a failing grade for that exam or assignment.

If a student or an instructor disagrees about the nature of the absence [i.e., for the purpose of observing a religious holy day] or if there is similar disagreement about whether the student has been given a reasonable time to complete any missed assignments or examinations, either the student or the instructor may request a ruling from the chief executive officer of the institution, or his or her designee. The chief executive officer or designee must take into account the legislative intent of TEC 51.911(b), and the student and instructor will abide by the decision of the chief executive officer or designee.

Off-Campus Instruction and Course Activities

Off-campus, out-of-state, and foreign instruction and activities are subject to state law and University policies and procedures regarding travel and risk-related activities. Information regarding these rules and regulations may be found at the website address given below. Additional information is available from the office of the school dean.

http://www.utdallas.edu/BusinessAffairs/Travel_Risk_Activities.htm

These descriptions and timelines are subject to change at the discretion of the Professor.