

Melanie S. Griffin, Secretary

Ron DeSantis, Governor

BOARD OF ACCOUNTANCY

EDUCATIONAL ADVISORY COMMITTEE MEETING TELEPHONE CONFERENCE CALL

November 19, 2025 – 9:00 a.m. EST

**Conference Number: 1-888-585-9008
Conference Room Number: 624-410-563**

Notice of Meeting Link: http://www.FLRules.org/gateway/View_Notice.asp?id=30155959

AGENDA

I. Call to Order – Dr. Martin Fennema, Chair

II. Roll Call

Dr. Martin Fennema – Chair
Dr. Sean Dennis
Mr. Michael Kridel
Dr. Gary McGill
Dr. Mark Myring
Mr. Steven Platau
Dr. Gregory Trompeter

III. Ratify Minutes from August 14, 2025 - Pgs. 3 - 8

IV. Individual Course Review

A. Caruthers, Tatum – Pgs. 9 - 18

Examination Application # 778481

Ms. Caruthers is requesting three (3) semester hours of upper-division accounting credit for ACCT 31012 – Accounting Cycle Analysis from Lindenwood University.

B. Green, Kevin – Pgs. 19 - 57

Examination Application # 849547

Mr. Green is requesting three (3) semester hours of upper-division accounting credit for the courses listed below from Northeastern University.

ACCT 5201 – Foundations Financial Reporting and Analysis 1

ACCT 5204 – Foundations Financial Reporting and Analysis 2

C. Myers, Jazel Serame – Pgs. 58 - 148

Examination Application # 587086

Ms. Myers is requesting three (3) semester hours of graduate credit for the courses listed below from Louisiana State University (LSU).

MBA 710 – Accounting Fraud Detection Through Data Analytics

MBA 715 – Auditing Theory

V. University Course Review

A. Purdue Global University – Pgs. 149 - 158

Purdue Global University is requesting three (3) semester hours of graduate tax credit for AC 566 – Tax Research and Intro to International Taxation.

VI. Administrative Matters

A. Laws and Rules (informational) – **Pgs. 159 - 165**

B. Executive Director/Licensing Supervisor Comments

VII. Set Future Meeting Date

VIII. Adjourn

Melanie S. Griffin, Secretary

Ron DeSantis, Governor

DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
FLORIDA BOARD OF ACCOUNTANCY
EDUCATIONAL ADVISORY COMMITTEE MEETING
TELEPHONE CONFERENCE CALL

August 14, 2025

Minutes

I. Call to Order

The meeting was called to order at 9:04 a.m. by Dr. Fennema, Chair.

II. Roll Call

The roll was called by Trecia Jenkins, Regulatory Consultant, reflecting the following:

Committee Members Present:

Dr. Martin Fennema – Chair
Dr. Sean Dennis
Dr. Gary McGill
Mr. Steven Platau
Dr. Gregory Trompeter

Committee Members Absent:

Mr. Michael Kridel

Staff Members Present:

Trecia Jenkins
Alexandra Herrera
Barbara Whitney

Others Present:

Rachelle Munson, Senior Assistant Attorney General and Board Counsel
Josh Jacoby, CPA Credits.com
Wei Zhou, Applicant

III. Ratify Minutes from May 20, 2025

Motion was made by Dr. Trompeter and seconded by Dr. McGill to approve the minutes of the May 20, 2025, meeting. Upon vote motion passed unanimously.

IV. Individual Course Review

A. Johnson, Lanaria

Ms. Johnson is requesting three (3) semester hours of upper-division accounting credit for MBA 715 – Auditing for Accounting from Louisiana State University Shreveport (LSUS). She has already received credit for ACG 4632 – Auditing Theory and Application I from Florida State University (FSU). She is also requesting three (3) semester hours of upper-division accounting credit for MBA 712 – Taxation for Individuals and Businesses from LSUS. She has already received credit for TAX 4011 – Federal Tax Accounting II from FSU.

Motion was made by Dr. Dennis and seconded by Dr. Trompeter to deny three (3) semester hours of upper-division accounting credit for MBA 715 – Auditing for Accounting from Louisiana State University Shreveport because it is duplicative of ACG 4632 – Auditing Theory and Application I from Florida State University. Upon vote the motion passed unanimously.

Motion was made by Dr. McGill and seconded by Dr. Trompeter to deny three (3) semester hours of upper-division accounting credit for MBA 712 – Taxation for Individuals and Businesses from LSUS because it is duplicative of TAX 4011 – Federal Tax Accounting II from FSU. Upon vote the motion passed unanimously.

B. La Hoz, Irasema

Ms. La Hoz is requesting three (3) semester hours of upper-division accounting credit for the courses listed below from Florida International University (FIU).

ACG 3081 - Applied Accounting Principles

ACG 3343 - Cost Accounting

ACG 4672 - Internal Auditing - Has already received credit for MBA 715 – Auditing for Accounting from Louisiana State University Shreveport.

Motion was made by Dr. McGill and seconded by Dr. Dennis to approve three (3) semester hours of upper-division accounting credit for ACG 3081 – Applied Accounting Principles, from Florida International University. Upon vote the motion passed unanimously.

Motion was made by Dr. McGill and seconded by Dr. Trompeter to approve three (3) semester hours of upper-division accounting credit for ACG 3343 – Cost Accounting, from Florida International University. Upon vote the motion passed unanimously.

Motion was made by Dr. Dennis and seconded by Dr. McGill to approve three (3) semester hours of upper-division accounting credit for ACG 4672 - Internal Auditing, from Florida International University. Upon vote the motion passed unanimously.

C. Zhou, Wei

Ms. Zhou is requesting three (3) semester hours of graduate taxation credit for ACCT 551 – Taxation of Corporations from Upper Iowa University.

Motion was made by Dr. McGill and seconded by Mr. Platau to approve three (3) semester hours of graduate taxation credit for ACCT 551 – Taxation of Corporations from Upper Iowa University. Upon vote the motion passed unanimously.

V. University Course Review

A. CPA Credits /Upper Iowa University

CPA Credits is requesting three (3) semester hours of upper division accounting credit for the courses listed below.

ACCT 301 – Accounting Ethics I

ACCT 302 – Accounting Ethics II

Motion was made by Mr. Platau and seconded by Dr. McGill to approve one (1) semester hour of upper-division accounting credit for ACCT 301 – Accounting Ethics I and one (1) semester hour of upper-division accounting credit for ACCT 302 – Accounting Ethics II. Upon vote the motion passed unanimously.

ACCT 321 – Intermediate Financial Accounting I

Motion was made by Dr. McGill and seconded by Mr. Platau to approve three (3) semester hours of upper-division accounting credit for ACCT 321 – Intermediate Financial Accounting I. Upon vote the motion passed unanimously.

ACCT 322 – Intermediate Financial Accounting II

Motion was made by Dr. Trompeter and seconded by Mr. Platau to approve three (3) semester hours of upper-division accounting credit for ACCT 322 – Intermediate Financial Accounting II. Upon vote the motion passed unanimously.

ACCT 323 – Federal Taxation I

Motion was made by Dr. McGill and seconded by Dr. Trompeter to approve three (3) semester hours of upper-division accounting credit for ACCT 323 – Federal Taxation I. Upon vote the motion passed unanimously.

ACCT 325 – Federal Tax Research I

Motion was made by Dr. McGill and seconded by Dr. Trompeter to approve three (3) semester hours of upper-division accounting credit for ACCT 325 – Federal Tax Research I. Upon vote the motion passed unanimously.

ACCT 422 – Cost Accounting

Motion was made by Dr. Dennis and seconded by Dr. McGill to approve three (3) semester hours of upper-division accounting credit for ACCT 422 – Cost Accounting. Upon vote the motion passed unanimously.

ACCT 425 – Auditing

Motion was made by Mr. Platau and seconded by Dr. McGill to approve two (2) semester hours of upper-division accounting credit for ACCT 425 – Auditing. Upon vote the motion passed unanimously.

ACCT 431 – Advanced Financial Accounting

Motion was made by Mr. Platau and seconded by Dr. McGill to approve three (3) semester hours of upper-division accounting credit for ACCT 431 – Advanced Financial Accounting. Upon vote the motion passed unanimously.

ACCT 432 – Accounting for Not-For-Profit Organizations

Motion was made by Dr. Dennis and seconded by Dr. McGill to approve three (3) semester hours of upper-division accounting credit for ACCT 432 – Accounting for Not-For-Profit Organizations. Upon vote the motion passed unanimously.

After clarifying with Mr. Jacoby of CPA Credits, the Committee members stated for the record, CPA Credits is requesting three (3) semester hours of graduate credit for the following courses:

ACCT 533 – Advanced Accounting Information Systems

Motion was made by Dr. McGill and seconded by Dr. Trompeter to approve three (3) semester hours of graduate accounting credit for ACCT 533 – Advanced Accounting Information Systems. Upon vote the motion passed unanimously.

ACCT 547 – Contemporary Topics in Accounting

Motion was made by Mr. Platau and seconded by Dr. McGill to approve two (2) semester hours of graduate accounting credit for ACCT 547 – Contemporary Topics in Accounting. Upon vote the motion passed unanimously.

ACCT 551 – Taxation for Corporations

Motion was made by Dr. McGill and seconded by Mr. Platau to approve (3) semester hours of graduate accounting credit for ACCT 551 – Taxation for Corporations. Upon vote the motion passed unanimously.

ACCT 552 - Forensic Accounting

Motion was made by Dr. Trompeter and seconded by Dr. Dennis to approve (3) semester hours of graduate accounting credit for ACCT 552 - Forensic Accounting. Upon vote the motion passed unanimously.

ACCT 553 - Advanced Managerial Accounting

Motion was made by Dr. McGill and seconded by Dr. Trompeter to approve (3) semester hours of graduate accounting credit for ACCT 553 - Advanced Managerial Accounting. Upon vote the motion passed unanimously.

ACCT 554 – Government and Non-Profit

Motion was made by Dr. Dennis and seconded by Dr. McGill to approve (3) semester hours of graduate accounting credit for ACCT 554 – Government and Non-Profit. Upon vote the motion passed unanimously.

CPA Credits is requesting three (3) semester hours of upper-division business law credit for:

BA 302 – Business Law and Ethics.

Motion was made by Mr. Platau and seconded by Dr. McGill to approve (3) semester hours of lower-division business law credit for BA 302 – Business Law and Ethics. Upon vote the motion passed unanimously.

VII. Administrative Matters

A. Law and Rules (informational)

B. Executive Director/Licensing Supervisor Comments.

None

C. Set Future Meeting Date

November 19, 2025 @ 9:00 a.m.

VIII. Adjourn

The meeting was adjourned at 10:44 a.m.

A handwritten signature in black ink, appearing to read "M.G. Fennema". The signature is written in a cursive style with a large, stylized "M" and "F".

M.G. Fennema

Melanie S. Griffin, Secretary

Ron DeSantis, Governor

October 23, 2025

TATUM CARUTHERS
2600 S BLUE ANGEL PKWY APT 618
PENSACOLA, FL 32506

RE: Application Number: 778481, Profession: 0101

Dear Tatum Caruthers:

The Educational Advisory Committee will consider your request for course review at the following date, time, and place:

DATE AND TIME: November 19, 2025, at 9:00 a.m. EST
Or as soon thereafter as can be heard

PLACE: Telephone Conference Call
Conference Number: 888-585-9008
Conference Room Number: 624-410-563

This is an open meeting, and you are welcome to attend.

If you have any questions, please call the number above.

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Professor Contact Information	Course Information
Name: Jessica Manion, EdD	Course: ACCT 31012 Accounting Cycle Analysis
Email: jmanion@lindenwood.edu	Course Format: TR 9:30-10:45.
Phone: cell# 636-219-1505	Term: Fall 2022
Office Location: Harmon Hall, Room #202	Class Location: Harmon Hall, Room 202
Office Hours: 9:00-9:30am and 10:45-11:15am on class meeting days (if you need to arrange a different day/time, please email to schedule an appointment)	

Catalog Description

This course focuses on the technical aspects of the accounting cycle. All aspects of the accounting cycle will be addressed including transaction entry, financial statement presentation, and closing entries. The course is intended for accounting majors or anyone desiring a thorough understanding of the accounting cycle. Prerequisite: ACCT 21010; MTH 14100, MTH 14200, MTH 15100, MTH 15200, MTH 17500, MTH 24100, MTH 27100 or MTH 27200 all with a C or better.

Course Content

Complete manual accounting system using Systems Understanding Aid then repeat company entries using QuickBooks. As time allows Excel templates and a deeper dive into the business cycles complete the semester before culminating accounting cycle knowledge using the McGraw Hill Aleks program.

- Financial Statements (Income Statement, Balance Sheet, Statement of Stockholders' Equity, and Statement of Cash Flows)
- The accounting cycle
- Debits/Credits
- T-accounts
- Journal entries

Required Materials

Textbooks

Systems Understanding Aid-10th Edition, Armond Dalton Publishers ISBN: 9780912503752

Section code: HfeInwfnf5

QuickBooks Online-Armond Dalton Publishers ISBN:9780912503806

ALEKs for Accounting-McGraw Hill **Class Code: MPYTE-HLFQL.**

Third-Party Vendor Statement

Students who purchase class-materials through a 3rd party vendor make the purchase at their own risk. Lindenwood University is not responsible for material purchased through any 3rd party vendor.

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Course Calendar

This course calendar represents course work equivalent to approximately 3 hours of class instruction and 6 hours of student work outside of class each week for 16-week courses. Workload and assignments would need to be adjusted to accommodate the equivalent expected hours for alternative delivery methods and course lengths (i.e. hybrids, online, accelerated classes). The student is responsible for reading all assigned materials. Any of this material may be on exams, unless specifically excluded by the direction of the professor. However, not all reading content will be discussed.

WEEK	DATES	TOPICS	ASSIGNMENTS on Canvas	Test
1	Aug 23 Aug 25	Course Introduction	Acquire Course materials Accounting Cycle Introduction	
2	Aug 30-Sept 1	Systems Understanding Aid	See Canvas for assignments	
3	Sept 6-8	Systems Understanding Aid	See Canvas for assignments	
4	Sept 13-15	Systems Understanding Aid	See Canvas for assignments	
5	Sept 20-22	Systems Understanding Aid	See Canvas for assignments	
6	Sept 27-29	Systems Understanding Aid	See Canvas for assignments	
7	Oct 4 Oct 6	Fall Break-no class QuickBooks	See Canvas for assignments	
8	Oct 11-13	QuickBooks	See Canvas for assignments	
9	Oct 18-20	QuickBooks	See Canvas for assignments	
10	Oct 25-27	QuickBooks	See Canvas for assignments Oct 30 is the last day to withdraw with a W	
11	Nov 1-3	Aleks/Excel	See Canvas for assignments	
12	Nov 8-10	Aleks/Excel	See Canvas for assignments	
13	Nov 15-17	Aleks/Excel	See Canvas for assignments	
14	Nov 22 Nov 24	Aleks/Excel Thanksgiving Break-no class	See Canvas for assignments	
15	Nov 29-Dec 1	Aleks/Excel	See Canvas for assignments	
16	Dec 5-9	Finals Week-Exam time Tuesday 8:30-10:30		Final Exam

Schedule is subject to change at the discretion of the instructor to accommodate instructional and/or student needs.

Grading

Scoring/Grading Components

NOTE: All students are expected to communicate well in writing. Your work will be judged for writing quality as well as for content. Poor writing may result in a lower grade than you might otherwise have received. All written assignments may be subject to submission to anti-plagiarism software such as Turnitin.

• Systems Understanding Aid	100 Points
• QuickBooks	100 Points
• Aleks Accounting Cycle Review	75 Points
• Aleks Simulation Final	<u>25 Points</u>
TOTAL	300 Points

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A	90-100
B	80-89
C	70-79
D	60-69
F	0-59

As outlined in the Undergraduate Catalog, undergraduate students may earn grades of A, B, C, D or F

- A represents outstanding work in quality; it indicates the student has shown initiative, skill and thoroughness and has displayed originality in thinking
- B is awarded for work of high quality, well above average
- C indicates average work and satisfactory completion of course requirements
- D represents work below the average in quality
- F indicates one's course work has been unsatisfactory, and no credit is given

Please make sure that the above grading scheme coincides with what you set up in the Canvas shell for the course.

Learning Outcomes

Course Level Learning Outcomes

1. Identify and prepare financial reports.
2. Understand the complete accounting cycle.
3. Complete transactions for the full accounting cycle using a manual accounting system.
4. Complete a full accounting cycle using QuickBooks.

PCB&E Business Core Learning Outcomes

- PLO 1: Produce effective written communication in business area
PLO 2: Demonstrate effective oral communication in business area
PLO 3: Recommend strategy utilizing critical thinking skills in business area
PLO 4: Demonstrate knowledge of business functional principles

PCB&E Program Core Learning Outcomes

- Asses Financial Statements
Prepare Financial Reports Accurately

Class Policies

Attendance Policy

Students are expected to participate in class activities and assessments based on the type of course selected during registration. For example, if the course is an 'on-ground' course, students are expected to attend the scheduled class sessions in-person, including in-person activities and exams. If the course is an 'online' course, students are expected to engage in regular and substantive interaction through asynchronous activities. Students are considered as having 'attended' an online class if they participate in any academically related activity, during a given week. These activities include discussion participation, submission of assignments, quizzes or tests. Courses that are 'hybrid' have scheduled in-person sessions, which students are expected to attend. Students enrolled in a hybrid course will also engage in significant online learning to enhance in-person learning.

- In the case of illness or hospitalization, a doctor's verification may need to be submitted in order to make up missing work.
- If you are absent as a result of a LU sanctioned event, you should notify me before your absence in order to determine what you will miss during your absence.

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Late Work Policy

- If you are absent as a result of a LU sanctioned event then it is your responsibility to make arrangements regarding any test/quiz/assignments that you may miss in advance of travel. Depending on the nature of the missed work, you may need to complete the assignment before you are absent.
- Late work will be accepted for certain assignments, such as weekly homework. However, you will receive a 20% reduction in total points possible. Discussions and exams must be submitted by the established deadlines.

Final Examination Policy

You are expected to take the final exam at the date/time frame indicated on the Course Calendar. You should not expect to receive other accommodations to reschedule a final exam due to travel requests, etc.

Other Class Specific Policies

1. E-mail messages are to be well written (i.e. proper greeting, spelling, grammar, punctuation, etc.), or they will not be considered. Please reference the course name, day/time and/or section # in your communication.
2. Cell phones should be silenced during class. If they are visible during a quiz or exam the student will automatically receive a zero on that assessment.
3. You may bring a laptop, iPad, or other eBook reading device to class. However, if you are using the device for any other reason other than to access your textbook and/or take notes you will be asked to put the device away. In addition, the volume must be turned off so that it is not a distraction to your classmates.

Changes in the Course Syllabus

The course syllabus is subject to change if the instructor deems it necessary to accomplish the course objectives. Students will be notified in writing of all substantive changes to the course syllabus.

Mission Statements

[Lindenwood University Mission Statement](#)

[Plaster College of Business and Entrepreneurship Mission Statement](#)

University Policies, Guidelines & Requirements

This class is governed by University's published policies and guidelines in the Undergraduate Catalog and the Student Handbook. Institutional policies that are applicable to all courses are provided and maintained by the Office of the Associate Provost. This information can be found by clicking on Lindenwood in the Canvas Global Navigation Menu (far left menu).

Academic Integrity

Academic integrity is a critical part of the investment by Lindenwood University in the exploration and advancement of knowledge. All students have a fair opportunity to succeed, and, as such, all students owe their classmates, instructors, administrators, and themselves the duty of scholarly and creative work untainted by plagiarism, dishonesty, cheating, or other infringements of academic integrity. In turn, instructors, staff, and administrators will uphold these policies in order to promote student intellectual development and preserve the integrity of the Lindenwood University degree.

The penalty for the first reported offense of academic dishonesty will be determined by the instructor and may result in a reduced or failing grade on the work, a failing grade in the course, or any other appropriate penalty. Upon a first report of academic dishonesty, the student is also required to complete an online Academic Integrity Tutorial. A charge for the tutorial will be applied to the student's Business Office account. For undergraduates, a second



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offense will result in a failing grade for the course, and third offense will lead to expulsion from the university. Graduate students will be expelled after a second offense is reported.

Student Support Services & Resources

Information about academic support services and resources is provided and maintained by the Office of the Associate Provost. This information can be found by clicking on Lindenwood in the Canvas Global Navigation Menu.

Information about technical support services and resources is provided and maintained by the Office of Information Technology. This information can be found by clicking on Lindenwood in the Canvas Global Navigation Menu.

Expectation of Student Work

Student work is defined as assignments, homework, and other academic activities to be completed outside of instructional time, including reading, studying, writing, research etc. Students should expect to spend a minimum of two hours per week completing this work for each credit hour enrolled (thus 6 hours of work outside of class for a 3-hour course), although the time spent outside of class may increase based on the topic and level of the course.

Recording and Electronic Devices

During classroom instruction and testing, the use of cameras, video, audio taping devices, or any other kinds of electronic devices (including telephones, tablets, Google glasses, and Bluetooth devices) is allowed only after obtaining permission from the instructor; otherwise, the use of such devices is prohibited.

Electronic devices used for prosthetic or accessibility purposes may only be used after the faculty member has received a signed accommodation letter from the Accessibility Officer. Any recordings made may not be redistributed to anyone not a member of the class without the express written permission of the instructor and all student subjects of the recording.

Catalog, Schedules, and Calendars

The University Academic Calendar applicable to all courses are provided and maintained by the Office of Associate Provost. [Here](#) is where you will find course catalogs, final exam schedules, academic calendars and important deadlines.

Online Section codes

Armond Dalton Section code: Hfelnwfnf5

Aleks Class Code: MPYTE-HLFQL

Melanie S. Griffin, Secretary

Ron DeSantis, Governor

October 23, 2025

KEVIN GREEN
20110 W DIXIE HWY, APT 20104
MIAMI, FL 33180

RE: Application Number: 849547, Profession: 0101

Dear Kevin Green:

The Educational Advisory Committee will consider your request for course review at the following date, time, and place:

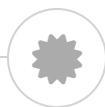
DATE AND TIME: November 19, 2025, at 9:00 a.m. EST
Or as soon thereafter as can be heard

PLACE: Telephone Conference Call
Conference Number: 888-585-9008
Conference Room Number: 624-410-563

This is an open meeting, and you are welcome to attend.

If you have any questions, please call the number above.

Course Syllabus



Syllabus

ACCT5201 Financial Reporting and Analysis I Course Overview

Financial Reporting and Analysis is a two-part course in which students have the opportunity to learn about the preparation and interpretation of financial statements. In this course, we will focus on the accounting for revenue and accounts receivable, cash, inventory, and fixed and intangible assets. Students are encouraged to think about how the accounting for transactions involving such accounts reflect business activity covered in other courses and encountered in their cooperative learning experiences. While this course primarily focuses on the various methods to account for these transactions, cross-country differences in the reporting requirements may also be discussed (i.e. U.S. GAAP vs. IFRS).

No prerequisites are required for this course.

Course Objectives


Successful completion of this course should provide students the opportunity to:

- CO 1: Describe the function and primary focus of financial accounting
- CO 2: Explain routine economic effects and the transaction analysis model
- CO 3: Describe the steps in the accounting processing cycle
- CO 4: Analyze and record transactions and adjusting entries using journal entries
- CO 5: Describe the four basic financial statements and their elements
- CO 6: Describe earnings quality and management practices to alter reported earnings
- CO 7: Discuss factors affecting a company's choice of inventory method and its calculation
- CO 8: Determine periodic depreciation using both time-based and activity-based methods

Instructor Information

Instructor: Annie L. Witte, PhD, CPA (Inactive), D'Amore-McKim School of Business

Email: a.witte@northeastern.edu (<mailto:pa.witte@northeastern.edu>) or
pwcsupport@northeastern.edu

Office Hours: Virtually on Tuesdays with a high-level overview and Thursdays from 5:30 PM - 6:30 PM EST via zoom at: <https://northeastern.zoom.us/j/97488300638> 

(<https://northeastern.zoom.us/j/97488300638>)

- *Before seeking help, you should read the relevant textbook material and develop specific questions related to the topic.*
- *If no one signs on during the first 15-minutes of office hours I will end the session.*

Teaching Assistant Information

Teaching Assistant: Avery Medina, D'Amore-McKim School of Business

Email: medina.av@northeastern.edu (<mailto:medina.av@northeastern.edu>) or
pwcsupport@northeastern.edu

Support Hours: Drop-in and virtually on Zoom. You can find the Zoom link on "Zoom Meetings" page.


- Tuesdays from 11:00 AM - 1:00 PM
- Wednesdays from 11:00 AM - 1:00 PM

Required Course Materials

The textbook we will be using is Intermediate Accounting by Spiceland, Nelson, and Thomas (11th edition). Registration for CONNECT is required as this is where your self-study modules and homework will be assigned and submitted.

Course Enrollment Instructions: [McGraw Hill CONNECT - First Day of Class](https://www.mheducation.com/highered/support/connect/first-day-of-class/canvas.html) 
(<https://www.mheducation.com/highered/support/connect/first-day-of-class/canvas.html>)

Additional Materials

A financial calculator, preferably a [Texas Instruments BA-II Plus](https://northeastern.bncollege.com/School-Supplies-ArtTech/Calculators/Business--Financial-Calculators/Business--Financial-Calculators/Texas-Instruments-BA-II-Plus-Financial-Calculator/p/5274) 
(<https://northeastern.bncollege.com/School-Supplies-ArtTech/Calculators/Business--Financial-Calculators/Business--Financial-Calculators/Texas-Instruments-BA-II-Plus-Financial-Calculator/p/5274>)

Course Structure:

This course is designed to be learner-led and self paced. It allows you to read through items, and go through practice exercises numerous times to help you practice and learn various accounting principles. Each module runs for one (week) and is structured into a series of lessons. In each lesson, the material is parsed into tasks outlining which pages to read, videos to watch, and questions to answer. At the end of each module, you'll be tested on content you've learned from that module.


There is a discussion question each week to allow you to interact with your peers.

Late Assignment Policy:

Guidelines for completing and submitting each assigned course activity are posted along with the assignment. The entire set of weekly assignments must be submitted by the posted deadline which is Saturday at 11:59 pm of each week. Assignments can be submitted ahead of deadlines but quiz solutions will not be released until Wednesday morning of the relevant week.

Assignments can be submitted ahead of any deadline.

- **Assignments that are up to 1 day late will result in a 25% deduction in grade.**
- **Assignments that are up to 2 day late will result in a 50% deduction in grade.**
- **After 2 days, the assignment will be considered missing and will receive no credit.**

Please note that if you are unable to complete an assignment by the specified due date, a documented compelling explanation is required through the [Extension Request Form](https://app.smartsheet.com/b/form/71769293aa0c4000aea3ddc4599f49b8).  (<https://app.smartsheet.com/b/form/71769293aa0c4000aea3ddc4599f49b8>) (*Note: login to the form with your Northeastern University credentials*). All work should be submitted electronically in the format specified in the assignment instructions.

Course Activities:

Each activity in a given module is due no later than Saturday at 11:59PM EST of that specific module week according to our schedule. As you progress through the course, there is a quiz at the end of each module. Although you may take the graded quiz 24-hours before the final deadline, the answers will not be available until 24 hours after the quiz deadline. You will receive your score for the quiz immediately after taking it. Only the highest score is recorded. This will allow you to plan for weeks

that may be busier, weeks that you have scheduled time off, or to account for any unplanned events that may occur.

Class Schedule and Distribution

Please note: For more information about specific assignments and due dates, see instructions within your course site.

Class Schedule

Modules	Dates
Module 1: Introduction to Financial Accounting and the Accounting Cycle	June 3 to June 8
Module 2: The Balance Sheet and Income Statement	June 9 to June 15
Module 3: Revenue, Cash, and Receivables	June 16 to June 22
Module 4: Inventories, Fixed Assets, and Intangibles	June 23 to June 29
Module 5: Depreciation and Amortization	June 30 to July 5

Assignment Category	Number of Items	% of Final Grade
Quizzes	5	55%
CONNECT End of Chapter Exercises	9	10%
CONNECT Self Study Questions	9	10%
Discussion Board	5	25%
Total		100%

Grading Scale

The following grading standards will be used in this class:

► Grading Scale

Course Support

There are many people who will support you throughout your time at Northeastern. Within this first course, you will have a faculty member, teaching assistants (TAs), and a success manager. Below is a brief description of the role each will play in your course experience.

- **Faculty:** Your faculty member is responsible for the instruction of the course. They will be your primary contact for content and professional application of knowledge, as well as questions about requirements and deliverables.
- **Teaching Assistant (TA):** The TA will assist with instructional responsibilities. They will facilitate group discussions and assist with office hours. They are a good resource to reference with simple questions about course content or requirements.
- **Success Manager:** Your success manager will help you access the resources you need to be successful both inside and outside of your course at Northeastern.

To access **24-hour Canvas support**, click on the **Help icon** in the Canvas menu (the menu in black and red) and the far left-hand of any Canvas screen.

Access the following document for instructions on NEU Canvas login: [NEU Canvas Login.docx](#)

<https://northeastern.instructure.com/courses/179489/files/27962314?wrap=1> ↓

https://northeastern.instructure.com/courses/179489/files/27962314/download?download_frd=1

https://northeastern.instructure.com/courses/149435/files/21744491/download?download_frd=1

Access the following document for instructions on McGraw Hill Connect: [Connect Student](#)

[Guide.docx](#) (<https://northeastern.instructure.com/courses/179489/files/27962315?wrap=1>) ↓

https://northeastern.instructure.com/courses/179489/files/27962315/download?download_frd=1

Course Communication & Support

We have established three official communication channels, including [Course Announcements](#)

<https://northeastern.instructure.com/courses/179489/announcements>), [Discussions QA Forum](#)

https://northeastern.instructure.com/courses/179489/discussion_topics/2404708),

and pwcsupport@northeastern.edu (<mailto:pwcsupport@northeastern.edu>) program email, to

provide standardized and efficient communication. Regularly checking these platforms will keep you abreast of updates and announcements crucial to your academic journey.

Adherence to communication guidelines is vital for fostering a positive and collaborative learning environment. Please maintain a respectful tone in all interactions, utilize official channels exclusively, and exercise patience as our support staff ensures accurate and comprehensive responses.

There are many people who will support you throughout your time at Northeastern. Within this course you will have a faculty member, teaching assistants (TA), and a success manager. Their commitment is to provide you with unwavering support, ensuring your success both inside and outside the academic realm at Northeastern.

For more information on the types of questions suitable for each channel, communication guidelines, and the roles and responsibilities of the course team, please visit the [Course Communication and Support \(https://northeastern.instructure.com/courses/179489/pages/course-communication-and-support\)](https://northeastern.instructure.com/courses/179489/pages/course-communication-and-support) page.

Live Sessions

Distinctly different from lecture-style synchronous sessions, Northeastern University focuses on offering you unique opportunities to interact with academic, industry, and thought leaders in your field; cultivating your virtual community and expanding your professional network. There are two types of live sessions to look forward to throughout the course: Faculty Office Hours and TA Office Hours.

Office Hours: Every week, Instructors and Teaching Assistants will have dedicated scheduled office hours; a virtual open door that gives you the ability to connect directly with them in a meeting. You are encouraged to submit questions in advance of the session to allow the faculty time to prepare responses.

Please sync your Canvas calendar with your other calendars at this point. If you need instructions on how to sync calendars, refer to the [Sync Canvas Calendar Page \(https://northeastern.instructure.com/courses/179489/pages/sync-canvas-calendar\)](https://northeastern.instructure.com/courses/179489/pages/sync-canvas-calendar) in the welcome module.

Please refer to the [Office Hours Guideline for Students \(https://northeastern.sharepoint.com/:w:/s/ProgramManagementTeam/ERSvmODGbCNOrsWF_-Hm4EBegell7Ziz2znSNXx2kMuAQ?e=6PUqPy\)](https://northeastern.sharepoint.com/:w:/s/ProgramManagementTeam/ERSvmODGbCNOrsWF_-Hm4EBegell7Ziz2znSNXx2kMuAQ?e=6PUqPy) for frequently asked questions and answers regarding office hours.

Community Tools

Canvas

Canvas is where academic discussions (if applicable) will take place and where the course assignments are submitted.

To access 24 hour Canvas support, click on the Help icon in the menu (in black and red) and the far left-hand of any Canvas screen. Below are some guides that you might find useful as you progress

through the course.

- [Canvas Student Guides \(https://community.canvaslms.com/t5/Student-Guide/tkb-p/student\)](https://community.canvaslms.com/t5/Student-Guide/tkb-p/student): This page contains a list of all the student help guides.
- [Sync Canvas Calendar \(https://northeastern.instructure.com/courses/179489/pages/sync-canvas-calendar\)](https://northeastern.instructure.com/courses/179489/pages/sync-canvas-calendar): Learn how to sync your Canvas calendar to your work calendar, to help you stay on top of activity due dates and live session opportunities.

Zoom

In this program, the Office Hours will be conducted using this synchronous meeting tool. This provides you with opportunities for face-to-face interactions with faculty, peers, and industry professionals.


Your faculty may also incorporate the following in your Zoom Live Sessions:

- Breakout rooms may provide opportunities for teamwork and problem solving
- Polling may be used as knowledge checks or to help your faculty determine how well students are comprehending the course material

Submission of Work

Guidelines for completing and submitting each assigned course activity are posted along with the assignment. The entire set of weekly assignments must be submitted by the posted deadline which is Saturday at 11:59 pm of each week. The end-of-chapter exercises and self-study questions in CONNECT will be automatically submitted on the assigned deadline if they have not been submitted by the student beforehand. **The exercises and self-study questions should be completed before attempting the quiz at the end of each week.** Assignments can be submitted ahead of deadlines but quiz solutions will not be released until 24 hours after the Saturday 11:59 deadline.

Special Accommodations/ADA

In accordance with the Americans with Disabilities Act (ADA 1990), Northeastern University seeks to provide equal access to its programs, services, and activities. If you will need accommodations in this class, please contact the [Disability Resource Center](http://www.northeastern.edu/drc/)  (<http://www.northeastern.edu/drc/>) as soon as possible to make appropriate arrangements, and please provide the course instructors with any necessary documentation. The University requires that you provide documentation of your disabilities to the DRC so that they may identify what accommodations are required, and arrange with the instructor to provide those on your behalf, as needed.

Academic Integrity and the Use of AI

All students must adhere to the university's [Academic Integrity Policy \(https://osccr.sites.northeastern.edu/academic-integrity-policy/\)](https://osccr.sites.northeastern.edu/academic-integrity-policy/), which is available on the website of the Office of Student Conduct and Conflict Resolution (OSCCR). It is your responsibility, as the learner, to know these policies.

Please be particularly aware of the policy regarding plagiarism. Plagiarism involves representing anyone else's words or ideas as your own. It doesn't matter where you got these ideas—from a printed article or book, on the web, AI Chat, and related tools. In any of these cases, you must cite clearly and specifically the origin of this content.

Please consult an instructor if you have any confusion or concerns when preparing any of the assignments. You can also consult the [Avoiding Plagiarism guide](https://subjectguides.lib.neu.edu/plagiarism#_utma=72955916.742489377.1689870640.1699907218.169999&_utmz=72955916.1699907218.97.46.utmcsr=google%7Cutmccn=(organic)%7Cutmcmd=organic%7Cutmctr=(not%20provided)&_utmv=-&_utmk=143259187) ([https://subjectguides.lib.neu.edu/plagiarism#_utma=72955916.742489377.1689870640.1699907218.169999&_utmz=72955916.1699907218.97.46.utmcsr=google%7Cutmccn=\(organic\)%7Cutmcmd=organic%7Cutmctr=\(not%20provided\)&_utmv=-&_utmk=143259187](https://subjectguides.lib.neu.edu/plagiarism#_utma=72955916.742489377.1689870640.1699907218.169999&_utmz=72955916.1699907218.97.46.utmcsr=google%7Cutmccn=(organic)%7Cutmcmd=organic%7Cutmctr=(not%20provided)&_utmv=-&_utmk=143259187)) on the Northeastern University Library Website. If an academic integrity concern arises, one of the instructors will speak with you about it; if the discussion does not resolve the concern, we will refer the matter to OSCCR.


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All learners will be asked to complete an academic integrity & AI attestation at the beginning of the course in order to access weekly module content.


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All learners will be asked to complete an academic integrity & AI attestation at the beginning of the course in order to access weekly module content.

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Technology Privacy and Accessibility Statements





This course integrates technology from additional vendors in addition to Instructure's Canvas Learning Management System. If you would like to read vendor privacy and accessibility






statements, you may do so below:





- ▶ Privacy Statements
- ▶ Accessibility Statements





Course Summary:

Date	Details	Due
Sat Jun 10, 2023	Academic Integrity Attestation (https://northeastern.instructure.com/courses/179489/assignments/2291670)	due by 11:59pm
Thu May 30, 2024	 ACCT 5201 Office Hours (https://northeastern.instructure.com/calendar?event_id=1386960&include_contexts=course_179489)	5:30pm to 6:30pm
Tue Jun 4, 2024	 PwC TA Office Hours Avery Medina ACCT5201.41578.202440 Summer 1, 2024 (https://northeastern.instructure.com/calendar?event_id=1386692&include_contexts=course_179489)	11am to 1pm
	 ACCT 5201 Office Hours (https://northeastern.instructure.com/calendar?event_id=1386961&include_contexts=course_179489)	5:30pm to 6:30pm
Wed Jun 5, 2024	 PwC TA Office Hours Avery Medina ACCT5201.41578.202440 Summer 1, 2024 (https://northeastern.instructure.com/calendar?event_id=1386693&include_contexts=course_179489)	11am to 1pm
	 ACCT 5201 Office Hours (https://northeastern.instructure.com/calendar?event_id=1386962&include_contexts=course_179489)	5:30pm to 6:30pm
Sat Jun 8, 2024	Chapter 1 Self Study Module (https://northeastern.instructure.com/courses/179489/assignments/2291677)	due by 11:59pm
	Chapter 1: End of Chapter Exercises (https://northeastern.instructure.com/courses/179489/assignments/2291682)	due by 11:59pm

Date	Details	Due
	Chapter 2 Self Study Module (https://northeastern.instructure.com/courses/179489/assignments/2291683)	due by 11:59pm
	Chapter 2: End of Chapter Exercises (https://northeastern.instructure.com/courses/179489/assignments/2291684)	due by 11:59pm
	Module 1 Discussion: Cash vs. Accrual Method (https://northeastern.instructure.com/courses/179489/assignments/2291676)	due by 11:59pm
	Quiz #1 - Chapter 1 & 2- Requires Respondus LockDown Browser (https://northeastern.instructure.com/courses/179489/assignments/2291667)	due by 11:59pm
Tue Jun 11, 2024	 PwC TA Office Hours Avery Medina ACCT5201.41578.202440 Summer 1, 2024 (https://northeastern.instructure.com/calendar?event_id=1386694&include_contexts=course_179489)	11am to 1pm
	 ACCT 5201 Office Hours (https://northeastern.instructure.com/calendar?event_id=1386964&include_contexts=course_179489)	5:30pm to 6:30pm
Wed Jun 12, 2024	 PwC TA Office Hours Avery Medina ACCT5201.41578.202440 Summer 1, 2024 (https://northeastern.instructure.com/calendar?event_id=1386695&include_contexts=course_179489)	11am to 1pm
Thu Jun 13, 2024	 ACCT 5201 Office Hours (https://northeastern.instructure.com/calendar?event_id=1386966&include_contexts=course_179489)	5:30pm to 6:30pm
Sat Jun 15, 2024	Chapter 3 Self Study Module (https://northeastern.instructure.com/courses/179489/assignments/2291685)	due by 11:59pm
	Chapter 3: End of Chapter Exercises (https://northeastern.instructure.com/courses/179489/assignments/2291686)	due by 11:59pm

Date	Details	Due
	Chapter 4 Self Study Module (https://northeastern.instructure.com/courses/179489/assignments/2291687)	due by 11:59pm
	Chapter 4: End of Chapter Exercises (https://northeastern.instructure.com/courses/179489/assignments/2291688)	due by 11:59pm
	Module 2 Discussion: Cash Flow Statement (https://northeastern.instructure.com/courses/179489/assignments/2291675)	due by 11:59pm
	Quiz #2 - Chapter 3 & 4 - Requires Respondus LockDown Browser (https://northeastern.instructure.com/courses/179489/assignments/2291669)	due by 11:59pm
Tue Jun 18, 2024	 PwC TA Office Hours Avery Medina ACCT5201.41578.202440 Summer 1, 2024 (https://northeastern.instructure.com/calendar?event_id=1386696&include_contexts=course_179489)	11am to 1pm
	 ACCT 5201 Office Hours (https://northeastern.instructure.com/calendar?event_id=1386967&include_contexts=course_179489)	5:30pm to 6:30pm
Wed Jun 19, 2024	 ACCT 5201 Office Hours (https://northeastern.instructure.com/calendar?event_id=1386968&include_contexts=course_179489)	5:30pm to 6:30pm
Thu Jun 20, 2024	 PwC TA Office Hours Avery Medina ACCT5201.41578.202440 Summer 1, 2024 (https://northeastern.instructure.com/calendar?event_id=1386817&include_contexts=course_179489)	11am to 1pm
	 ACCT 5201 Office Hours (https://northeastern.instructure.com/calendar?event_id=1386969&include_contexts=course_179489)	5:30pm to 6:30pm
Sat Jun 22, 2024	Chapter 6 Self Study Module (https://northeastern.instructure.com/courses/179489/assignments/2291689)	due by 11:59pm
	Chapter 6: End of Chapter Exercises	due by 11:59pm

Date	Details	Due
	https://northeastern.instructure.com/courses/179489/assignments/2291690	
	Chapter 7 Self Study Module https://northeastern.instructure.com/courses/179489/assignments/2291691	due by 11:59pm
	Chapter 7: End of Chapter Exercises https://northeastern.instructure.com/courses/179489/assignments/2291692	due by 11:59pm
	Module 3 Discussion: Preventing Freud - Learning From the Past https://northeastern.instructure.com/courses/179489/assignments/2291674	due by 11:59pm
	Quiz #3 - Chapter 6 & 7 - Requires Respondus LockDown Browser https://northeastern.instructure.com/courses/179489/assignments/2291671	due by 11:59pm
Tue Jun 25, 2024	 PwC TA Office Hours Avery Medina ACCT5201.41578.202440 Summer 1, 2024 https://northeastern.instructure.com/calendar?event_id=1386698&include_contexts=course_179489	11am to 1pm
	 ACCT 5201 Office Hours https://northeastern.instructure.com/calendar?event_id=1386970&include_contexts=course_179489	5:30pm to 6:30pm
Wed Jun 26, 2024	 PwC TA Office Hours Avery Medina ACCT5201.41578.202440 Summer 1, 2024 https://northeastern.instructure.com/calendar?event_id=1386699&include_contexts=course_179489	11am to 1pm
Thu Jun 27, 2024	 ACCT 5201 Office Hours https://northeastern.instructure.com/calendar?event_id=1386972&include_contexts=course_179489	5:30pm to 6:30pm
Sat Jun 29, 2024	Chapter 10 End of Chapter Exercises https://northeastern.instructure.com/courses/179489/assignments/2291678	due by 11:59pm
	Chapter 10 Self Study Module https://northeastern.instructure.com/courses/179489/assignments/2291679	due by 11:59pm

Date	Details	Due
	Chapter 8 Self Study Module (https://northeastern.instructure.com/courses/179489/assignments/2291693)	due by 11:59pm
	Chapter 8: End of Chapter Exercises (https://northeastern.instructure.com/courses/179489/assignments/2291694)	due by 11:59pm
	Module 4 Discussion: Common Cost Methods (https://northeastern.instructure.com/courses/179489/assignments/2291673)	due by 11:59pm
	Quiz #4 - Chapter 8 & 10 - Requires Respondus LockDown Browser (https://northeastern.instructure.com/courses/179489/assignments/2291665)	due by 11:59pm
Tue Jul 2, 2024	 PwC TA Office Hours Avery Medina ACCT5201.41578.202440 Summer 1, 2024 (https://northeastern.instructure.com/calendar?event_id=1386700&include_contexts=course_179489)	11am to 1pm
	 ACCT 5201 Office Hours (https://northeastern.instructure.com/calendar?event_id=1386973&include_contexts=course_179489)	5:30pm to 6:30pm
Wed Jul 3, 2024	 PwC TA Office Hours Avery Medina ACCT5201.41578.202440 Summer 1, 2024 (https://northeastern.instructure.com/calendar?event_id=1386701&include_contexts=course_179489)	11am to 1pm
	 ACCT 5201 Office Hours (https://northeastern.instructure.com/calendar?event_id=1386974&include_contexts=course_179489)	5:30pm to 6:30pm
Fri Jul 5, 2024	Chapter 11 Self Study Module (https://northeastern.instructure.com/courses/179489/assignments/2291680)	due by 11:59pm
	Chapter 11: End of Chapter Exercises (https://northeastern.instructure.com/courses/179489/assignments/2291681)	due by 11:59pm
	Module 5 Discussion: Depreciating Fixed Assets	due by 11:59pm

Date	Details	Due
	https://northeastern.instructure.com/courses/179489/assignments/2291672	
	Quiz #5 - Chapter 11- Requires Respondus LockDown Browser	due by 11:59pm
Sun Jul 7, 2024	End of Course Survey	due by 11:59pm
Mon Jul 15, 2024	Chapter 1 Practice Multiple Choice	due by 11:59pm
	Chapter 1 Smarbook Practice	due by 11:59pm
	Chapter 10 Practice Multiple Choice	due by 11:59pm
	Chapter 10 Smartbook Practice	due by 11:59pm
	Chapter 11 Practice Multiple Choice	due by 11:59pm
	Chapter 11 Smartbook Practice	due by 11:59pm
	Chapter 2 Practice Multiple Choice	due by 11:59pm
	Chapter 2 Smarbook Practice	due by 11:59pm
	Chapter 3 Practice Multiple Choice	due by 11:59pm
	Chapter 3 Smarbook Practice	due by 11:59pm

Date	Details	Due
	Chapter 4 Practice Multiple Choice (https://northeastern.instructure.com/courses/179489/assignments/2301332)	due by 11:59pm
	Chapter 4 Smarbook Practice (https://northeastern.instructure.com/courses/179489/assignments/2301340)	due by 11:59pm
	Chapter 6 Practice Multiple Choice (https://northeastern.instructure.com/courses/179489/assignments/2301331)	due by 11:59pm
	Chapter 6 Smarbook Practice (https://northeastern.instructure.com/courses/179489/assignments/2301339)	due by 11:59pm
	Chapter 7 Practice Multiple Choice (https://northeastern.instructure.com/courses/179489/assignments/2301330)	due by 11:59pm
	Chapter 7 Smarbook Practice (https://northeastern.instructure.com/courses/179489/assignments/2301338)	due by 11:59pm
	Chapter 8 Practice Multiple Choice (https://northeastern.instructure.com/courses/179489/assignments/2301328)	due by 11:59pm
	Chapter 8 Smarbook Practice (https://northeastern.instructure.com/courses/179489/assignments/2301337)	due by 11:59pm
	Tech Check- Requires Respondus LockDown Browser (https://northeastern.instructure.com/courses/179489/assignments/2291666)	

Course Syllabus



Syllabus

Course Description

This course continues Financial Reporting and Analysis I (ACCT5201) with a more extensive study of financial statements and the financial reporting rules underlying them. Advanced topics include bonds, pensions, leases, earnings per share, and the statement of cash flows. The course introduces more advanced financial statement analysis tools and offers students an opportunity to enhance the knowledge necessary to analyze the impact of alternative reporting decisions on financial statements.

Prerequisites: Before taking this course, students should have completed ACCT5201 Financial Reporting and Analysis I

Course Objectives

The primary objective of financial accounting courses is to understand Generally Accepted Accounting Principles (GAAP) used to prepare companies' financial statements. In addition to learning how to account for transactions in the areas we cover in the course, we will critically evaluate GAAP procedures, from the perspectives of both the company providing financial information and the outside users of the information in the financial markets. Successful completion of this course should give students the opportunity to learn about (1) financial reporting standards as they apply to the liability and equity side of the balance sheet; (2) innovations in accounting including the Tax Cut and Jobs Act of 2017, new lease reporting standards, changes in accounting for tax loss carryback and carryforwards, and fair market valuation; (3) the usefulness of financial reporting in the business world. We will be emphasizing a decision makers' perspective focusing on professional judgment and critical thinking skills required of accountants in today's global business environment.

Before Getting Started

This course is designed with five modules followed by a series of lessons. Each lesson will provide the required media, readings, and assignments. The key to success in this course is to complete the tasks in each lesson before moving on to the next. If needed, review the material again and check your understanding before continuing. After each lesson is complete, you'll be quizzed on everything you learned in the module. Don't hesitate to reach out if you have any questions.

Instructor Information

Name, Peggy O'Kelly - Principal Lecturer, D'Amore-McKim School of Business

Office Hours:

- Tuesdays, 4:00-5:00pm EST on Zoom (guided overview, recorded)
- Thursdays 3:00 - 4:00pm EST on Zoom (Drop In)

Teaching Assistant Information

TA Name, Avery Medina - Teaching Assistant, D'Amore-McKim School of Business

Office Hours:

- Tuesday 11am-1pm EST on Zoom
- Wednesday from 11am-1pm EST on Zoom (One on One, By Appointment)


Required Course Materials

If you already have access to the book from taking Financial Reporting and Analysis I, you do not need to purchase the license again. Reach out to your instructor if you have any issues.

The textbook we will be using is Intermediate Accounting by Spiceland, Nelson, and Thomas (11th edition). Registration for CONNECT is required as that is where your self-study modules and homework will be assigned and submitted.

Course Enrollment Instructions: [McGraw Hill CONNECT - First Day of Class](https://www.mheducation.com/highered/support/connect/first-day-of-class/canvas.html) 
(<https://www.mheducation.com/highered/support/connect/first-day-of-class/canvas.html>)

Additional Materials

A financial calculator, preferably a [Texas Instruments BA-II Plus](https://northeastern.bncollege.com/School-Supplies-ArtTech/Calculators/Business--Financial-Calculators/Business--Financial-Calculators/Texas-Instruments-BA-II-Plus-Financial-Calculator/p/5274) 
(<https://northeastern.bncollege.com/School-Supplies-ArtTech/Calculators/Business--Financial-Calculators/Business--Financial-Calculators/Texas-Instruments-BA-II-Plus-Financial-Calculator/p/5274>)

Course Structure:

This course is designed to be learner-led and self paced. It allows you to read through items, and go through practice exercises numerous times to help you practice and apply the various accounting principles to a given scenario Each module runs for one (week) and is broken down into a series of lessons. In each lesson, the material is “chunked” into tasks outlining which pages to read, videos to watch, and questions to answer. At the end of each module, you’ll be tested on everything you learned for that module.

There is a discussion question at the end of each week to provide an opportunity for you to interact with your peers.

Course Outline

Week 1 - Module 1: Bonds

Week 2 - Module 2: Leases

Week 3 - Module 3: Income Tax & Pension Accounting

Week 4 - Module 4: Stockholder equity, Stock Award Plans, and Earnings Per Share

Week 5 - Module 5: Cash Flow Statements

Course Activities:

All graded assignments including Discussion Board, CONNECT homework, and Canvas quizzes are due no later than Saturday at 11:59 ET of a specific week. As you progress through the course, there is a quiz at the end of each module. The graded quizzes will be available for a 48 hour period at the end of the week beginning Friday at 12:01 am until Saturday 11:59 pm. After taking the quiz, you will receive your score for the quiz immediately and feedback 48 hours later. The quiz must be taken in a single session and you will be allowed up to 45 minutes to complete the quiz from the time it is first opened.

Class Schedule and Grade Distribution:

Assignment Category	Number of Graded Items	% of Final Grade
Quizzes	5	60%
Connect End of Chapter Exercises	5	15%
CONNECT Self-Study Questions	5	15%
Discussion Board	5	10%
Total Course Points		100%

Grading Scale

The following grading standards will be used in this class:

► **Grading Scale**

Grade & Module Retake Policy

While the grading scale shows the range of letter grades, the final course grade will be converted to pass/fail. To receive a passing grade, students must have at least a B-.

If at the end of this course your overall grade is below 80% you will be given the option to remedially complete the modules and retake the summative quizzes in which you did not receive a passing grade. You will be able to complete this remedial work during the week of August 12.

Course Communication and Support

We have established three official communication channels, including [Course Announcements](https://northeastern.instructure.com/courses/184162/announcements), [Discussions QA Forum](https://northeastern.instructure.com/courses/184162/discussion_topics), and pwcsupport@northeastern.edu (mailto:pwcsupport@northeastern.edu) program email, to provide standardized and efficient communication. Regularly checking these platforms will keep you abreast of updates and announcements crucial to your academic journey.

Adherence to communication guidelines is vital for fostering a positive and collaborative learning environment. Please maintain a respectful tone in all interactions, utilize official channels exclusively, and exercise patience as our support staff ensures accurate and comprehensive responses.

There are many people who will support you throughout your time at Northeastern. Within this course you will have a faculty member, teaching assistants (TA), and a success manager. Their commitment is to provide you with unwavering support, ensuring your success both inside and outside the academic realm at Northeastern.

For more information on the types of questions suitable for each channel, communication guidelines, and the roles and responsibilities of the course team, please visit the [Course Communication and Support](https://northeastern.instructure.com/courses/184162/pages/course-communication-and-support) page.


Access the following document for instructions on NEU Canvas login: [NEU Canvas Login.docx](https://northeastern.instructure.com/courses/179491/files/27959048?wrap=1)

Submission of Work

Guidelines for completing and submitting each assigned course activity are posted along with the assignment. The entire set of weekly assignments must be submitted by the posted deadline which is Saturday at 11:59 pm of each week. The end of chapter exercises and self-study questions in CONNECT will be automatically submitted on the assigned deadline if they have not been submitted by the student beforehand. **The exercises and self-study questions should be completed before attempting the quiz at the end of each week.** Discussion Board and CONNECT homework assignments can be submitted ahead of deadlines.


Assignments can be submitted ahead of any deadline.

- **Assignments that are up to 1 day late will result in a 25% deduction in grade.**
- **Assignments that are up to 2 day late will result in a 50% deduction in grade.**
- **After 2 days, the assignment will be considered missing and will receive no credit.**

If you have extenuating circumstances and are not able to meet an assignment deadline, you must fill-in the **[Extension Request Form](#)** 

(<https://app.smartsheet.com/b/form/71769293aa0c4000aea3ddc4599f49b8>) to request an extension. (**Note** : login to the form with your Northeastern University credentials) .

Special Accommodations/ADA

In accordance with the Americans with Disabilities Act (ADA 1990), Northeastern University seeks to provide equal access to its programs, services, and activities. If you will need accommodations in this class, please contact the **[Disability Resource Center](#)**  (<http://www.northeastern.edu/drc/>) as soon as possible to make appropriate arrangements, and please provide the course instructors with any necessary documentation. The University requires that you provide documentation of your disabilities to the DRC so that they may identify what accommodations are required and arrange with the instructor to provide those on your behalf, as needed.

Academic Integrity

All students must adhere to the university's **[Academic Integrity Policy](#)** (<https://osccr.sites.northeastern.edu/academic-integrity-policy/>), which is available on the website of the Office of Student Conduct and Conflict Resolution (OSCCR). It is your responsibility, as the learner, to know these policies.

Please be particularly aware of the policy regarding plagiarism. Plagiarism involves representing anyone else's words or ideas as your own. It doesn't matter where you got these ideas—from a printed article or book, on the web, AI Chat, and related tools. In any of these cases, you must cite clearly and specifically the origin of this content.

Please consult an instructor if you have any confusion or concerns when preparing any of the assignments. You can also consult the **[Avoiding Plagiarism guide](#)** ([https://subjectguides.lib.neu.edu/plagiarism#__utma=72955916.742489377.1689870640.1699907218.169999&__utmz=72955916.1699907218.97.46.utmcsr=google%7Cutmccn=\(organic\)%7Cutmcmd=organic%7Cutmctr=\(not%20provided\)&__utmv=-&__utmj=143259187](https://subjectguides.lib.neu.edu/plagiarism#__utma=72955916.742489377.1689870640.1699907218.169999&__utmz=72955916.1699907218.97.46.utmcsr=google%7Cutmccn=(organic)%7Cutmcmd=organic%7Cutmctr=(not%20provided)&__utmv=-&__utmj=143259187)) on the Northeastern University Library Website. If an academic integrity concern arises, one of the instructors will speak with you about it; if the discussion does not resolve the concern, we will refer the matter to OSCCR.

AI is an important part of the innovation landscape. We encourage you to use such tools when appropriate, but in no case, can you allow an AI Chatbot or related tool to do your writing for you,

whether it is for an individual assignment or a group project. If you use AI tools of any kind, cite them appropriately. Please reference the **[Northeastern Insider's Guide to Learning with AI](https://northeastern.instructure.com/courses/179491/files/28044014?wrap=1)** (<https://northeastern.instructure.com/courses/179491/files/28044014?wrap=1>) (https://northeastern.instructure.com/courses/179491/files/28044014/download?download_frd=1) (https://northeastern.instructure.com/courses/172899/files/26129221/download?download_frd=1) for more information on best practices.

All learners will be asked to complete an Academic Integrity & AI attestation at the beginning of the course in order to access weekly module content.

Northeastern University Copyright Statement





This course material is copyrighted, and all rights are reserved by Northeastern University. No part of this course material may be reproduced, transmitted, transcribed, stored in a retrieval system, or translated into any language or computer language, in any form or by any means, electronic, mechanical, magnetic, optical, chemical, manual, or otherwise, without the express prior written permission of the University.





Technology Privacy and Accessibility Statements





This course integrates technology from additional vendors in addition to Instructure's Canvas Learning Management System. If you would like to read vendor privacy and accessibility statements, you may do so below:





- ▶ Privacy Statements
- ▶ Accessibility Statements





Course Summary:

Date	Details	Due
Tue Jul 2, 2024	 PwC TA Office Hours Avery Medina ACCT5204.61215.202460 Summer 2, 2024 https://northeastern.instructure.com/calendar?event_id=1404984&include_contexts=course_184162	2pm to 4pm
Tue Jul 9, 2024	 PwC TA Office Hours Avery Medina ACCT5204.61215.202460 Summer 2, 2024 https://northeastern.instructure.com/calendar?event_id=1404985&include_contexts=course_184162	11am to 1pm
	 PwC Faculty Office Hours ACCT5204.61215.202460 Summer 2, 2024 https://northeastern.instructure.com/calendar?event_id=1395586&include_contexts=course_184162	4pm to 5pm
Thu Jul 11, 2024	 PwC Faculty Office Hours ACCT5204.61215.202460 Summer 2, 2024 https://northeastern.instructure.com/calendar?event_id=1395597&include_contexts=course_184162	3pm to 4pm
	Academic Integrity Attestation https://northeastern.instructure.com/courses/184162/assignments/2234871	due by 11:59pm
	Chapter 14 End of Chapter Exercises https://northeastern.instructure.com/courses/184162/assignments/2234877	due by 11:59pm
Sat Jul 13, 2024	Chapter 14 Self Study Videos - Bonds https://northeastern.instructure.com/courses/184162/assignments/2234878	due by 11:59pm
	Module 1 Discussion: Issuing Convertible Bonds https://northeastern.instructure.com/courses/184162/assignments/2234872	due by 11:59pm
	Module 1 Quiz- Requires Respondus LockDown Browser https://northeastern.instructure.com/courses/184162/assignments/2240009	due by 11:59pm

Date	Details	Due
Tue Jul 16, 2024	 PwC TA Office Hours Avery Medina ACCT5204.61215.202460 Summer 2, 2024 https://northeastern.instructure.com/calendar?event_id=1404986&include_contexts=course_184162	11am to 1pm
	 PwC Faculty Office Hours ACCT5204.61215.202460 Summer 2, 2024 https://northeastern.instructure.com/calendar?event_id=1395587&include_contexts=course_184162	4pm to 5pm
Wed Jul 17, 2024	 PwC TA Office Hours Avery Medina ACCT5204.61215.202460 Summer 2, 2024 https://northeastern.instructure.com/calendar?event_id=1403186&include_contexts=course_184162	11am to 1pm
Thu Jul 18, 2024	 PwC Faculty Office Hours ACCT5204.61215.202460 Summer 2, 2024 https://northeastern.instructure.com/calendar?event_id=1395598&include_contexts=course_184162	3pm to 4pm
Sat Jul 20, 2024	Chapter 15 End of Chapter Exercises https://northeastern.instructure.com/courses/184162/assignments/2234879	due by 11:59pm
	Chapter 15 Self Study Videos - Leases https://northeastern.instructure.com/courses/184162/assignments/2234880	due by 11:59pm
	Module 2 Discussion: To Lease or Purchase? https://northeastern.instructure.com/courses/184162/assignments/2234873	due by 11:59pm
	Module 2 Quiz- Requires Respondus LockDown Browser https://northeastern.instructure.com/courses/184162/assignments/2295526	due by 11:59pm

Date	Details	Due
Tue Jul 23, 2024	 PwC TA Office Hours Avery Medina ACCT5204.61215.202460 Summer 2, 2024 https://northeastern.instructure.com/calendar?event_id=1404987&include_contexts=course_184162	11am to 4pm
	 PwC Faculty Office Hours ACCT5204.61215.202460 Summer 2, 2024 https://northeastern.instructure.com/calendar?event_id=1395588&include_contexts=course_184162	4pm to 5pm
Wed Jul 24, 2024	 PwC TA Office Hours Avery Medina ACCT5204.61215.202460 Summer 2, 2024 https://northeastern.instructure.com/calendar?event_id=1403187&include_contexts=course_184162	11am to 1pm
Thu Jul 25, 2024	 PwC Faculty Office Hours ACCT5204.61215.202460 Summer 2, 2024 https://northeastern.instructure.com/calendar?event_id=1403343&include_contexts=course_184162	3pm to 4pm
Sat Jul 27, 2024	Chapter 16 End of Chapter Exercises https://northeastern.instructure.com/courses/184162/assignments/2234881	due by 11:59pm
	Chapter 16 Self Study Videos - Taxes https://northeastern.instructure.com/courses/184162/assignments/2234882	due by 11:59pm
	Chapter 17 End of Chapter Exercises https://northeastern.instructure.com/courses/184162/assignments/2234883	due by 11:59pm
	Chapter 17 Self Study Videos - Pensions https://northeastern.instructure.com/courses/184162/assignments/2234884	due by 11:59pm
	Module 3 Discussion: Pensions and Retirement Plans https://northeastern.instructure.com/courses/184162/assignments/2234874	due by 11:59pm

Date	Details	Due
	Module 3 Quiz- Requires Respondus LockDown Browser https://northeastern.instructure.com/courses/184162/assignments/2295527	due by 11:59pm
Tue Jul 30, 2024	 PwC TA Office Hours Avery Medina ACCT5204.61215.202460 Summer 2, 2024 https://northeastern.instructure.com/calendar?event_id=1404988&include_contexts=course_184162	11am to 1pm
	 PwC Faculty Office Hours ACCT5204.61215.202460 Summer 2, 2024 https://northeastern.instructure.com/calendar?event_id=1395589&include_contexts=course_184162	4pm to 5pm
Wed Jul 31, 2024	 PwC TA Office Hours Avery Medina ACCT5204.61215.202460 Summer 2, 2024 https://northeastern.instructure.com/calendar?event_id=1403188&include_contexts=course_184162	11am to 1pm
Thu Aug 1, 2024	 PwC Faculty Office Hours ACCT5204.61215.202460 Summer 2, 2024 https://northeastern.instructure.com/calendar?event_id=1403344&include_contexts=course_184162	3pm to 4pm
Sat Aug 3, 2024	Chapter 18 End of Chapter Exercises https://northeastern.instructure.com/courses/184162/assignments/2234885	due by 11:59pm
	Chapter 18 Self Study Videos - Stockholder Equity https://northeastern.instructure.com/courses/184162/assignments/2234886	due by 11:59pm
	Chapter 19 End of Chapter Exercises https://northeastern.instructure.com/courses/184162/assignments/2234887	due by 11:59pm
	Chapter 19 Self Study Videos - Stock Awards and EPS https://northeastern.instructure.com/courses/184162/assignments/2234888	due by 11:59pm

Date	Details	Due
	Module 4 Discussion: Preferred Stock Accounting https://northeastern.instructure.com/courses/184162/assignments/2234875	due by 11:59pm
	Module 4 Quiz- Requires Respondus LockDown Browser https://northeastern.instructure.com/courses/184162/assignments/2295529	due by 11:59pm
Tue Aug 6, 2024	 PwC TA Office Hours Avery Medina ACCT5204.61215.202460 Summer 2, 2024 https://northeastern.instructure.com/calendar?event_id=1404989&include_contexts=course_184162	11am to 1pm
	 PwC Faculty Office Hours ACCT5204.61215.202460 Summer 2, 2024 https://northeastern.instructure.com/calendar?event_id=1395590&include_contexts=course_184162	4pm to 5pm
Wed Aug 7, 2024	 PwC TA Office Hours Avery Medina ACCT5204.61215.202460 Summer 2, 2024 https://northeastern.instructure.com/calendar?event_id=1403189&include_contexts=course_184162	11am to 1pm
Thu Aug 8, 2024	 PwC Faculty Office Hours ACCT5204.61215.202460 Summer 2, 2024 https://northeastern.instructure.com/calendar?event_id=1403345&include_contexts=course_184162	3pm to 4pm
Sat Aug 10, 2024	Chapter 21 End of Chapter Exercises https://northeastern.instructure.com/courses/184162/assignments/2234889	due by 11:59pm
	Chapter 21 Self Study Videos - Cash Flow Statement https://northeastern.instructure.com/courses/184162/assignments/2234890	due by 11:59pm
	Module 5 Discussion: Accounting Statements Analysis https://northeastern.instructure.com/courses/184162/assignments/2234876	due by 11:59pm

Date	Details	Due
	Module 5 Quiz- Requires Respondus LockDown Browser https://northeastern.instructure.com/courses/184162/assignments/2295532	due by 11:59pm
	RETAKE Module 2 Quiz- Requires Respondus LockDown Browser https://northeastern.instructure.com/courses/184162/assignments/2338248	due by 11:59pm
	RETAKE Module 5 Quiz- Requires Respondus LockDown Browser https://northeastern.instructure.com/courses/184162/assignments/2338440	due by 11:59pm
	RETAKE Quiz Module 1 Quiz- Requires Respondus LockDown Browser https://northeastern.instructure.com/courses/184162/assignments/2338241	due by 11:59pm
Thu Aug 15, 2024	RETAKE Quiz Module 3 Quiz- Requires Respondus LockDown Browser https://northeastern.instructure.com/courses/184162/assignments/2338332	due by 11:59pm
	RETAKE Quiz Module 4 Quiz- Requires Respondus LockDown Browser https://northeastern.instructure.com/courses/184162/assignments/2338432	due by 11:59pm
	End of Course Survey https://northeastern.instructure.com/courses/184162/assignments/2340576	due by 11:59pm

Melanie S. Griffin, Secretary

Ron DeSantis, Governor

October 23, 2025

JAZEL SERAME MYERS
63 NORTH SAINT ANDREWS DRIVE
ORMOND BEACH, FL 32174

RE: Application Number: 587086, Profession: 0101

Dear Jazel Serame Myers:

The Educational Advisory Committee will consider your request for course review at the following date, time, and place:

DATE AND TIME: November 19, 2025, at 9:00 a.m. EST
Or as soon thereafter as can be heard

PLACE: Telephone Conference Call
Conference Number: 888-585-9008
Conference Room Number: 624-410-563

This is an open meeting, and you are welcome to attend.

If you have any questions, please call the number above.

MBA 710 Accounting Fraud Detection Through Data Analytics

Spring 2025 (053619 & 053620)

Instructor: Dr. Xiang (Gail) Gao

Class Days/Times/Location: 100% online, course starts March 17 and ends May 5, 2025

Office Location: BE 330

Office Phone: 318-797-5152

Office Hours: By appointment.

E-Mail: Xiang.Gao@lsus.edu

Course Prerequisite: None

Course Description: A study of the principles of analytic tools for investigating and uncovering fraud and financial misconduct. The course covers data extraction and cleansing, as well as reactive and proactive analytical techniques to identify trends, patterns, and anomalies in financial statements.

Course Learning Outcomes

Students who successfully complete this course will be knowledgeable users of forensic accounting information. More specifically, students will be able to:

- a. Classify analytic tools used for investigating and uncovering fraud and financial misconduct.
- b. Extract data relevant to fraud and financial misconduct from structured and unstructured data sources.
- c. Cleanse, organize, and prepare data for analysis.
- d. Implement a plan to monitor data to identify signs of fraud in its early stages.
- e. Use data for prediction

Course Materials

Textbook

Online version of the textbooks is provided free of charge directly on Moodle.

Other Resources

- a. The lecture notes, videos, and Excel worksheet used in the videos will be posted on Moodle.
- b. Excel – Microsoft Office 365 is free to LSUS students. Please follow the instruction on Moodle to download and register the product for free.
- c. Tableau – The instruction to download and install tableau, as well as a free one-year license key will be posted on Moodle.

MBA 710 is a 100% online course delivered via Moodle. The Module for each week describes required assignments and tasks (e.g., readings, forums, etc.) and designated due dates. Remember to check the MBA 710 Moodle course daily for announcements. Online interaction in MBA 710 occurs asynchronously. Each course module covers a specific period. When a specific time is used, it refers to Central Time in the U.S.

Technology Requirements

This course will require a personal computer (PC or Mac, no Chromebook, no phone), webcam with microphone (internal or USB), Internet connectivity, knowledge of the internet, and knowledge of email. Some students have chosen to purchase a computer which meets these requirements, specifically for exams. Additional information about the specific technical requirements necessary for online learning at LSUS will be available in the Getting Started section of Moodle. For non-PC users, it is your responsibility to ensure that all files submitted are PC compatible so that they can be accessed for grading. Computer, power, ISP, or related failures not directly caused by Moodle will not be accepted as excuses for missed exams, late assignments, or other neglected activities. Because technology failures are not uncommon, it is strongly recommended that you submit assignments well in advance of the deadline, allowing yourself time to correct technology and other failures without missing a deadline. Technical support issues with Moodle should be directed to Information Technology Services. ITS can be reached by phone at 318-797-5221 or by email at its@lsus.edu.

Course Assignments, Examinations, and/or Projects Policies

Homework

There are total 7 weekly homework assignments. The lowest two homework grades will be dropped from the final. Homework covers the class reading materials. The homework is open book/notes, and allows three attempts for each homework assignment. Homework is due Sundays at 11 PM, except the last week due on Saturday 11 PM. Since this assignment will drop the lowest two, I don't accept any late work.

Exams

There are three exams throughout the semester. **These exams will be administered through Proctorio.** The exams are closed book and proctored. The testing window starts on Friday 8 AM (CST) and ends on Sunday at 11:59 PM (CST) of each exam week (Except Exam 3, please refer to the tentative schedule). Once you start, you have 60 minutes to complete each exam. The content covered in the exam will be similar to the homework. Please use homework as a good source for exam review.

Makeup exams will be given only in extreme circumstances. A student with an extreme circumstance must contact me 12 hours before the exam window close to make advance arrangements for taking it. If you fail to notify me within the specified time frame (or if you do not have a valid excuse), you will receive a zero on that exam.

Data Analysis Project

There are six data analysis projects. Data analysis project is designed to practice the data analytics topics in each module. Data analysis assignment is due every Sunday at 11 PM. The assignment is open for a week. Students are responsible for ensuring the work is submitted on time and the document is uploaded correctly in a correct format. Tech issues are not excuses for late submission or resubmission. In the case of late submission or resubmission after the due date is accepted, 20% of the points (10 points each) will be taken off from the score received.

Participation

Even though, there are no participation points from this course, I expect all students to check LSUS email on a daily basis, read all course announcements, read and watch materials posted on Moodle, and plan and complete assignments at an early time each week. If you have any plans of traveling or other events that may disturb your course completion, it should be communicated with me ahead of time.

Course Grading Policies

Grades in this course are based on Homework, exams, and data analysis project. Each one of these areas is explained before you are expected to complete it. Some details are below, and some are explained closer to the respective due dates. The point distribution and grading scale are below.

	Points	% of Total	Final Letter Grade	
			Total Points	Total %
Weekly Homework (50 pts * 5, drop lowest 2)	250	25%	A 900 or above	90% or above
Exam (150 pts * 3)	450	45%	B 800 - 899	80 - 89.9%
Data Analysis Project (50 pts * 6)	300	30%	C 700 - 799	70 - 79.9%
Total	1,000		D 600 - 699	60 - 69.9%
			F Below 600	Below 60%

I reserve the right to adjust the grading scale as the course needs dictate. Any adjustment of the grade scale is made at the end of the semester when course grades are assigned. I do not plan on any extra credit work. If any extra credit work is given, it will be available to all students. The grade is normally posted within 72 hours after the assignment is due (project grade posting may take longer time).

Rubrics

Rubrics are included in the course and will provide an understanding of how your data analysis projects will be assessed.

Classroom Conduct

Email - Please include the 1) course number, 2) your full name as registered in LSUS, and 3) your LSUS ID, in your email communication. LSUS email does not automatically display your name. Including you information will ensure a **QUICK** and **EFFICIENT** communication between you and me; failure of including such information may lead to very slow response, or rejection of responding to sensitive information. Please be respect to the number of courses and students I would communicate with during each semester. By providing as much detail as possible during each email communication, you are not only helping to create efficient communication environment throughout the course, but also showing your attitude towards learning, respectfulness to others, and professionalism.

In case of emergency, you don't need to follow the email requirement, however, I am hoping to get this information and proof in follow-ups.

Proctoring

All exams in the MBA program will be proctored using Proctorio. You are strongly encouraged to review the Proctorio Resources page in each Moodle course prior to taking any exam.

Tentative Course Schedule

(See at the end of Syllabus)

General Campus Information

MANDATORY ACCREDITATION DAY

All accelerated online programs in the College of Business at LSUS now include an 8th module to collect required assurance of learning data. This module is set aside specifically for assurance of learning, and no

course-related activities are allowed to be performed after the closing time on Saturday, as set by your Professor. This day of data collection will not influence your grade in the course and must be administered after the conclusion of the course content. Therefore, an online assessment will be available on the Monday of the 8th week. Your participation is necessary for us to maintain our top tier business accreditation. This does not affect the structure of your course, and your only action item is to login to Moodle on Monday of the 8th week and complete the 30-minute assurance of learning assessment.

DISABILITY SERVICES

LSUS is committed to making students with disabilities full participants in its programs, services, and activities. University policy calls for reasonable accommodations to be made for students with disabilities on an individual and flexible basis. However, it is the responsibility of the students to make their needs known. If you have a documented disability that impacts your academic work and for which you require accommodations, please contact Disability Services (AD 208, Phone 318-795-2402, email DisabilityServices@lsus.edu) so that such accommodations may be arranged. For more information, visit the [LSUS Disability Services webpage](#).

STUDENT CONDUCT

LSUS has the responsibility to protect its educational purposes and the health and safety of the university community through the setting of standards of scholarship and conduct for its students. Students are responsible for knowing and complying with the provisions of the LSUS Code of Student Conduct, particularly those pertaining to plagiarism and academic dishonesty. (Refer to the LSUS Student Handbook.)

All instances of academic misconduct (e.g. cheating, plagiarism) must be reported to the Office of Student Affairs. If a student is found guilty of academic misconduct, he or she could face loss of credit for the work and/or the course involved, probation, and/or separation from the university as determined by the Student Conduct Board. See the current Student Handbook for the complete "Student Code of Conduct."

All students at LSUS are required to have a copy of Understanding Plagiarism, the university guide to defining, understanding, and avoiding plagiarism. This booklet is available at the LSUS Bookstore.

PROPRIETARY COURSE INFORMATION

The LSUS School of Business considers course information to be proprietary to the professor of the course. Violating this intellectual property protection by scanning, copying, website posting, or reproducing and sharing course information is considered an infraction of the MBA Honor Code and LSUS Code of Student Conduct.

Title IX Protections

Title IX of the Education Amendments Act of 1972 is a U.S. federal law that provides various sex-based discrimination protections under educational programs that receive federal-level financial assistance. Such protections include, but are not limited to, pregnancy/parenting and gender-based harassment. For LSUS's Title IX policy (PM-73) and informational brochure as well as contact information and forms for emergency and non-emergency incident reporting, visit the [LSUS Title IX webpage](#).

Tentative Course Schedule

Course Schedule (Tentative)		
* Estimated course coverage and assignment dates are subject to change. All timestamps are in CST. All assignments are submitted on Moodle if not specified.		
	<u>Date</u>	<u>Lesson/Topic</u>
Week 1	3/17/2025 to 3/23/2025	Introduction to MBA 710 and Syllabus Clean data using Excel Watch the lectures created by the instructor Corporate Fraud Handbook Chapter 1 ACFE 2022 Report to the Nations * Homework #1 Due Sunday 11 PM * Data analysis project #1: Data Cleaning
Week 2	3/24/2025 to 3/30/2025	Skimming and Larceny Index and summary using Excel Watch the lectures created by the instructor Corporate Fraud Handbook Chapters 2, 3 & 4 * Homework #2 Due Sunday 11 PM * Data analysis project #2: Indexing and summary
Week 3	3/31/2025 to 4/6/2025	Check Tampering Benford's Law Watch the lectures created by the instructor Corporate Fraud Handbook Chapter 5 * Homework #3 Due Sunday 11 PM * Data analysis project #3: Finding anomaly using Benford's Law * Exam 1 (Friday 8 AM – Sunday 11:59 PM)
Week 4	4/7/2025 to 4/13/2025	Register Disbursement/Billing scheme Tableau 1 Watch the lectures created by the instructor Corporate Fraud Handbook Chapters 6 & 7 * Homework #4 Due Sunday 11 PM * Data analysis project #4: Tableau 1
Week 5	4/14/2025 to 4/20/2025	Payroll/Expense/Inventory Tableau 2 Watch the lectures created by the instructor Corporate Fraud Handbook Chapters 8 & 9 * Homework #5 Due Sunday 11 PM * Data analysis project #5: Tableau 2 * Exam 2 (Friday 8 AM – Sunday 11:59 PM)

Week 6	4/21/2025 to 4/27/2025	Corruption Forensic Investigation Memo Writing and Use of AI Watch the lectures created by the instructor Corporate Fraud Handbook Chapters 10 & 11 * Homework #6 Due Sunday 11 PM * Data analysis project #6: Memo
Week 7	4/28/2025 to 5/4/2025	Financial Statement Fraud Financial Statement Fraud Case Studies Watch the lectures created by the instructor Corporate Fraud Handbook Chapters 12 & 13 * Homework #7 Due Saturday 11 PM * Exam 3 (Thursday 8 AM - Saturday 11:59 PM)
Week 8	5/5/2025	* MAD Survey (Monday 0:00 - 23:59)

Additional Course Information

Syllabus Subject to Change: While information and assurances are provided in this course syllabus, it should be understood that content may change in keeping with new research and literature and that events beyond the control of the instructor could occur. Students will be informed of any substantive occurrences that will produce syllabus changes.



Fraud Examination through Data Analytics

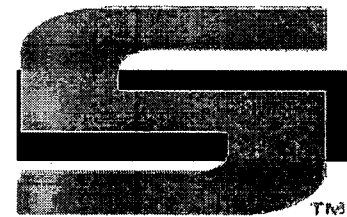
Dr. Xiang Gao

www.lsus.edu

Module 1 Introduction

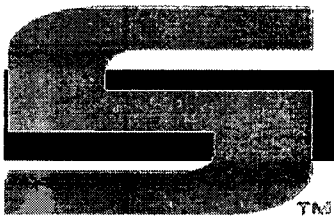
This module covers:

- Data analysis and fraud examination
- Strategy for data analysis to detect fraud
- False Positive/False Negative



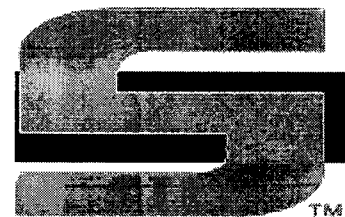
Data analytics can be used

- Finding issues in the past
 - Looking for outliers, irregularity, unsupported record/transaction, etc.
- Making relevant decision base on data
 - Should the credit limit for a customer increase, decrease, or stay same? Is the cost of installing and maintain ERP system outweigh the benefit of implementing ERP?
- Analyze the risks
 - How frequent does stockout appear? What is the size of loss due to cash larceny from register?
- Assist strategic decision making
 - Define the new growing market, predict the trend of product innovation, etc.



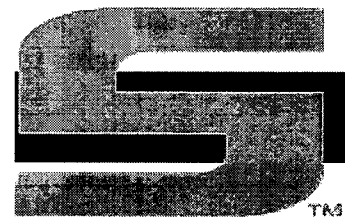
Why using data analytics for fraud examination

- Trend and graphs tell stories
 - Steady sale, inventory goes down dramatically
 - Kickbacks sales managers
- Fraud Prevention
 - Regular analysis of the data can increase perception of detections
 - Set up formal control



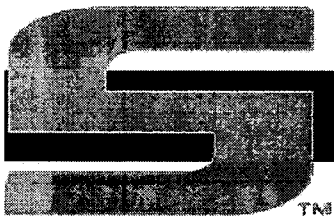
Fraud examination through data analytics

- Apply an analytics mindset to the fraud examination process
- Understand data structure in business process
- Consider which data can be used to support analysis needs
- Understand “red flags” in fraud examination
- Identify the “red flags” using data visualization



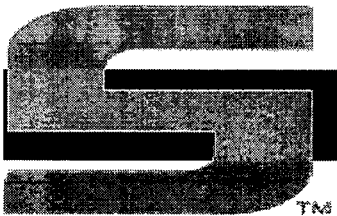
Caution

- Too much data, where to start
 - Well defined question
- How the data is generated
 - Garbage in, garbage out
- Business operation
 - Understand the business process and the original documentation
- Data is not the only step
 - Observe
 - Interview



Key takeaways

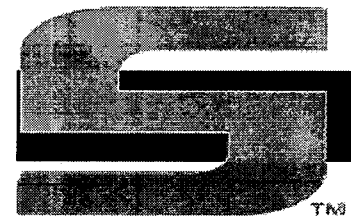
- Think critically
 - Synthesize and interpret data
- Think analytically
 - Improve understanding of the business
 - Identify “Red Flags”
- Communicate effectively
 - Business terms
 - White collar fraud



The data analysis strategy

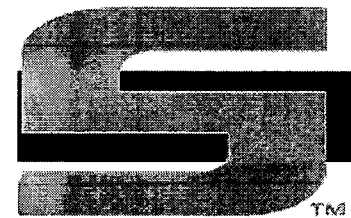
Four steps:

1. Planning
2. Preparation
3. Testing and Interpretation
4. Reporting



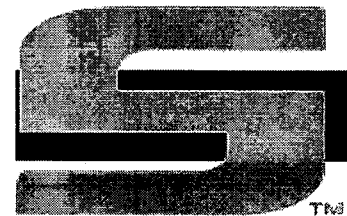
1. Planning

- Understand the data
- Articulate the objectives
- Identify the fraud scenario
- Prediction



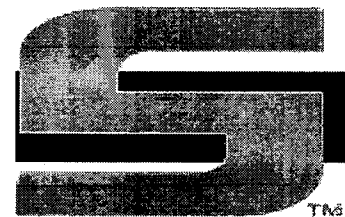
1. Planning

- Understand the data
 - What data is available
 - How the data is structured



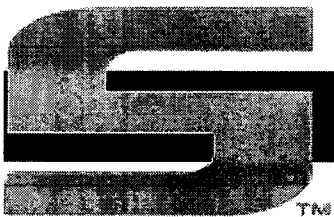
1. Planning

- Articulate the objectives
 - The purpose of the data analysis engagement
 - The structure and size of the business
 - The target area of examination and any barriers to retrieving the data
 - The resources (e.g., time, personnel, etc.) available for the engagement
 - Whether any predication exists that a specific fraud is occurring
 - Any existing thresholds or preferences for frauds to be considered material



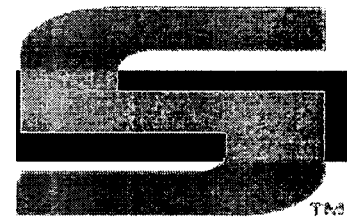
1. Planning

- Identify the fraud scenario
 - What are the fraud risks
 - Where are the internal control weakness
- Prediction
 - What evidence you expect to find



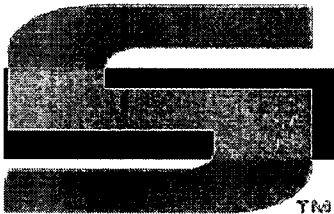
2. Preparing

- Identify data
- Obtain data
- Verify data
- Cleanse data



2. Preparing

- Identify data
 - What specific data (i.e., fields, records) are available
 - Who generates and maintains the data
 - Where the data is stored
 - Timing of the data extraction (e.g., date range, cutoff dates, cutoff times)
 - How the fraud examiner will receive and store the data:
 - Data format
 - Storage or transfer mechanism
 - Control totals needed for verification
 - Potential corroborating sources of data



2. Preparing

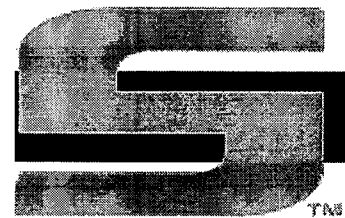
- Obtain data
- Verify data
 - Confirm control totals.
 - Confirm the period covered by the data is appropriate and as requested.
 - Sort the file in ascending or descending order to test for leading or lagging errors.
 - Check for gaps in applicable fields, including system-assigned identifying record number, to identify missing records.
 - Confirm the format of data in format-specific fields, such as date fields and numeric fields.
 - Check for blank fields where information should be entered.
 - Check for inappropriate duplicate fields or records.

2. Preparing

- Cleanse data
 - Known errors
 - Blanks or missing data
 - Duplicated data
 - Special or unreadable characters in the data
 - Other unusable entries

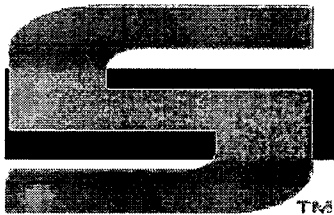
3. Testing and Interpretation

- Organize the data
- Analyze the data



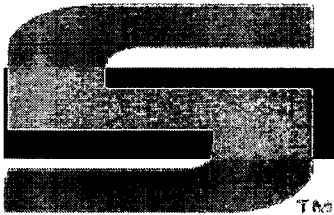
3. Testing and Interpretation

- Organize the data
 - Grouping
 - Geographical location
 - Business division or unit
 - Time period
 - Dollar value
 - Salesperson
 - Vendor



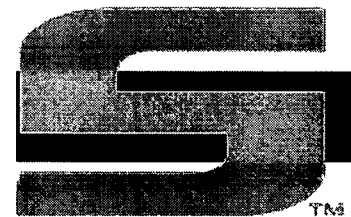
3. Testing and Interpretation

- Analyze the data
 - Special consideration: Concealment



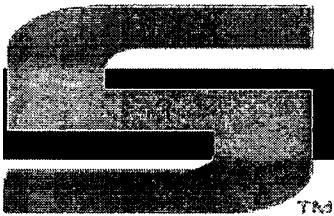
4. Reporting

- Respond to the findings
- Monitor the data



False Positive/False Negative

- False Positive
 - A test result which incorrectly indicates that a fraud is present.
 - Hurt efficiency
- False Negative
 - A test result that indicates that fraud does not exist, while in fact it does.
 - Hurt effectiveness.



Data used in Fraud Examination

- Accounting and financial data
- Human resource data
- Customer/Vendor data
- Internal communication
- External benchmarking data
- Public/Social media data
- Others ...

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MBA 715 Auditing Theory

Spring 2025 -AP1

Instructor: Dr. Charles (Qifeng) Wu

Course Number: 53578

Class Days/Times/Location: Fully Online, 01/20/25-03/10/25

Class Time/Location: Fully Online

Office Location: BE 205

Office Phone: 318-795-2467

Office Hours: 9:30 AM – 11:00 AM, Tuesday/Thursday. Zoom meeting is welcome by appointment.

Email: qifeng.wu@lsus.edu

Course Prerequisite: LSUS MBA program has a no prerequisite policy. It is crucial that you obtain the knowledge equivalent to certain levels of financial accounting before taking this course, such as MBA 713. I highly recommend you take MBA 713 first if your undergraduate degree was neither accounting nor finance. If MBA 700 is your only accounting course prior this course, I advise you take MBA 713 first before taking this course.

Course Description: This course examines the professional auditing function, with a particular emphasis on professional standards and procedures as applied to external and internal assurance engagements, including coverage of the economic role of assurance providers, engagement planning, risk assessment, evidence gathering, and reporting.

Course Learning Objectives

This course is a graduate-level course covering external auditing of financial statements. This course is most relevant to MBA students pursuing accounting and finance-related careers (e.g. auditors and other public accounting professionals, private staff accountant, controller, CFO, or analyst, portfolio manager, security trader, financial consultant, corporate finance manager, etc.) The focus is on current U.S. auditing practices and regulating environment.

Students who successfully complete this course will have an understanding of the following topics: (a) the audit function and the public accounting profession, (b) Generally Accepted Auditing Standards, (c) audit planning, risk assessment, and audit evidence, (d) understanding and testing internal control, (e) audit sampling, (f) the standard audit report and its modifications, (g) the auditor's ethical and legal environment.

The course material and practice helps you understand how to identify financial reporting issues from reading auditing reports (i.e. reverse-engineering from financial statements and footnote disclosures to journal entries) and become experienced users of accounting information, which is foundational for excelling in most areas of financial and investment analysis.

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1. To introduce you to the basic concepts of auditing, emphasizing the practice of auditing in the external (public company audits) and internal auditing contexts.
2. To understand the role that auditors (both internal and external) play, their purpose, and the value that they provide.
3. To identify, research, understand, and apply current auditing standards and guidance relating to ethics, independence, other professional standards, and audit practice.
4. To begin your preparation for various professional certification exams (e.g., CPA exam, CIA exam).
5. To develop your critical thinking and written/oral communication skills in both individual and group settings.
6. To develop skills that will help you perform and feel comfortable in situations where the task at hand is complex and/or the solution is uncertain.
7. To understand the various professional opportunities, resources, and career tracks within the external and internal audit professions.
8. To develop your understanding of the critical importance of honesty, truth-telling, and professionalism in the course and in your career.

Course Materials

Auditing & Assurance Services: A Systematic Approach, 12th Edition

By William Messier Jr, Steven Glover, and Douglas Prawitt

(Highly recommended, No-Connect Code Needed, it is acceptable that you buy a used book from any platform, such as Amazon.com.)

Other Resources

- a. **The lecture notes**, videos, and Excel worksheet used in the videos will be posted on Moodle.
- b. Excel – Microsoft Office 365 is accessible to LSUS students. Please follow Moodle's instructions to download and register the product for free.

CLASS STRUCTURE:

Auditing for Accounting is a 100% online course **delivered via Moodle**. Online interactions in this class occur mostly asynchronously, which means that the class interactions will not be in real-time, but instead will make extensive use of functions of Moodle, permitting you to interact with the instructor and others. The Module Objectives & Weekly To-Do Lists describe required assignments and tasks (e.g., readings, assignments, exams, etc.) and designated due dates. Remember to check the Moodle course page and your LSUS official emails daily for announcements and updates. Each course module covers a specific period, and assignments must be uploaded by the due date.

- Modules 1-6 begin on Monday at 1:00 am CST and end on Sunday at 11:55 pm CST.
- Module 7 begins on Monday at 1:00 am CST and ends on **Saturday at 11:55 pm CST**.

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Please make any necessary adjustments in your schedule to meet the deadlines (refer to the course schedule). As this is an accelerated course, it is of uttermost importance to stick to the schedule. You are responsible for submitting the assignments by the specified deadlines. As many of you may have heard many times before, characteristics such as persistence, time management and self-discipline can be crucial to the success in pursuing a higher degree, as well as in career development. **Please also note that Module 7 is an abbreviated week, in which all assignments will be due Saturday.**

Proctorio

This is a fully online class. All the exams will be performed using Proctorio. Proctorio will be needed for all exams and quizzes. Please make sure you have downloaded the Proctorio appropriately to your computer and make sure its functional before you take each exam.

Technology Requirements

This course will require a personal computer (PC or Mac, no Chromebook, no phone), webcam with microphone (internal or USB), Internet connectivity, knowledge of the internet, and knowledge of email. Some students have purchased a computer that meets these requirements, specifically for exams. Additional information about the technical requirements necessary for online learning at LSUS will be available in the Getting Started section of Moodle. For non-PC users, it is your responsibility to ensure that all files submitted are PC compatible to access for grading. Computer, power, ISP, or related failures not directly caused by Moodle will not be accepted as excuses for missed exams, late assignments, or other neglected activities. Because technology failures are not uncommon, it is strongly recommended that you submit assignments well in advance of the deadline, allowing yourself time to correct technology and other failures without missing a deadline. Technical support issues with Moodle should be directed to Information Technology Services. ITS can be reached by phone at 318-797-5221 or by email at its@lsus.edu.

Student Support Resources

LSUS provides many support resources that address not only students' academic needs but also various aspects of students' nonacademic needs. Information about and website links for such resources are available in the syllabus supplement posted in Moodle or attached as the last page of this document, etc. Some resources such as the Student Success Center (tutoring and coaching) and IT support are also available from the Student, Technical, or Web Links drop-down menus available at the top of the Moodle screen.

Course Assignments and Examinations

Weekly Homework

Homework covers the class reading materials. The homeworks are open book/notes. You are allowed two attempts for each homework assignment; the best attempt will be used for grading. The lowest score of all seven homework assignments will be dropped at the end of the course. All homework assignments are due on Sundays at 11 pm (except Module 7).

Exams

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During the semester, three exams are worth 150 points each and the fourth exam is worth 100 points. The final exam is not comprehensive, only covers Module 7. The exams will be posted on Moodle. The exam schedules are listed on the tentative course schedule. Please pay close attention to the dates. **There will be NO make-up exam unless it's an extraordinary event (e.g. hurricane, earthquakes etc.)**

Project

There will be one data analytic project using Tableau to complete the work. Your responsibility is not just able to complete the data analysis, but also to record a instructional video and upload to your Youtube channel. Details will be posted on separate file.

Participation

In Module 1, the Student Self-Intro is worth 20 points. Please follow the instructions to include all required components. The Proctorio Pre-test is another assignment required to complete in Module 1, which is worth 10 points.

This class is designed as an asynchronous class. Therefore, students are required to participate in class regularly to fulfill the basic course requirements on weekly basis.

Course Grading Policies

Grades in this course are based on homework, exams, and data analysis project. Each one of these areas is explained before you are expected to complete it. Some details are below, and some are described closer to the respective due dates. The point distribution and grading scale are below.

Exam 1 (Modules 1 and 2)	150
Exam 2 (Modules 3 and 4)	150
Exam 3 (Modules 5 and 6)	150
Exam 4 (Module 7)	100
Weekly Homework	280
Self-introduction (20) and Proctorio Pre-test (10)	30
Data Project	80
Total points available	940

Grade will be decided as: A $\geq 90\%$, $90\% > B \geq 80\%$, $80\% > C \geq 70\%$, $70\% > D \geq 60\%$, F less than 60%.

I reserve the right to adjust the grading scale as the course needs dictate. Any adjustment of the grade scale (i.e., curving) is made at the end of the semester when course grades are assigned. **No extra credit project during the semester.**

Late Work Policy

No late work will be accepted in this class.

Classroom Conduct

Email - Please include 1) your course number, 2) your full name as registered in LSUS, and 3) your LSUS ID if you are requesting your grade or performance information in your email communication. This will ensure **QUICK** and **EFFICIENT** communication between you and me; failure to include such

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information may lead to a prolonged response or rejection of responding to sensitive information. Please be respectful to the number of courses and students I would communicate with during each semester; by providing as much detail as possible during each email communication, you are not only helping to create an efficient communication environment throughout the course but also showing your attitude towards learning, respectfulness to others, and professionalism.

In case of any emergency, you don't need to follow the email requirement. However, I am hoping to get these pieces of information in follow-ups.

Tentative Course Schedule

(Please find it at the end of this syllabus)

Additional Course Information

Syllabus Subject to Change: While information and assurances are provided in this course syllabus, it should be understood that content may change in keeping with new research and literature and that events beyond the control of the instructor could occur. Students will be informed of any substantive occurrences that will produce syllabus changes.

Academic Accommodations

The Americans with Disabilities Act (ADA) and other related laws protect the rights of individuals with disabilities in work, educational, and other settings. Students are responsible for making their needs known and must contact the LSUS Office of Disability Services for accommodation requests. For the request form, the Pilot Your Ability Student Manual, and more information, visit the LSUS Disability Services webpage.

Title IX Protections

Title IX of the Education Amendments Act of 1972 is a U.S. federal law that provides various sex-based discrimination protections under educational programs that receive federal-level financial assistance. Such protections include, but are not limited to, pregnancy/parenting and gender-based harassment. For LSUS's Title IX policy (PM-73) and informational brochure as well as contact information and forms for emergency and non-emergency incident reporting, visit the LSUS Title IX webpage.

STUDENT CONDUCT

LSUS is responsible for protecting its educational purposes and the health and safety of the university community by setting standards of scholarship and conduct for its students. Students are responsible for knowing and complying with the LSUS Code of Student Conduct provisions, particularly those pertaining to plagiarism and academic dishonesty. (Refer to the LSUS Student Handbook.)

All instances of academic misconduct (e.g. cheating, plagiarism) must be reported to the Office of Student Affairs. If a student is found guilty of academic misconduct, he or she could face loss of credit for the work and/or the course involved, probation, and/or separation from the university as determined by the Student Conduct Board. See the current Student Handbook for the complete "Student Code of Conduct."

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All students at LSUS are required to have a copy of Understanding Plagiarism, the university guide to defining, understanding, and avoiding plagiarism. This booklet is available at the LSUS Bookstore.

PROPRIETARY COURSE INFORMATION

The LSUS School of Business considers course information to be proprietary to the course's professor. Violating this intellectual property protection by scanning, copying, website posting, or reproducing and sharing course information is considered an infraction of the MBA Honor Code and LSUS Code of Student Conduct.

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MBA 715 – Auditing Theory

Spring 2025 AP1

Course Schedule All Times Central Standard Time (Tentative)		
* Estimated course coverage and assignment dates are subject to change. All assignments will be submitted on Moodle		
	<u>Date</u>	<u>Lesson/Topic</u>
Week 1	1/20/2024 to 1/26/2024	Module 1 Introduction to Audit and Ethics * Homework #1 Due Sunday 11 PM * Self-introduction due Sunday 11:59 PM
Week 2	1/27/2024 to 2/2/2024	Module 2 Audit Planning, Auditing environment, and Risk Assessment * Homework #2 Due Sunday 11 PM * Exam #1 (Modules 1 and 2) Due Sunday 11:55 PM
Week 3	2/3/2024 to 2/9/2024	Module 3 Audit Evidence and Documentation * Homework #3 Due Sunday 11 PM
Week 4	2/10/2024 to 2/16/2024	Module 4 Internal Control in and over Financial Report/Reporting * Homework #4 Due Sunday 11 PM * Exam #2 (Modules 3 and 4) Due Sunday 11:55 PM
Week 5	2/17/2024 to 2/23/2024	Module 5 Audit Sampling * Homework #5 & Project Due Sunday 11 PM
Week 6	2/24/2024 to 3/2/2024	Module 6 Completing audit Engagement * Homework #6 Due Sunday 11 PM * Exam #3 (Modules 5 and 6) Due Sunday 11:55 PM
Week 7	3/3/2024 to 3/8/2024	Module 7 Reports on Audit Financial Statements * Homework #7 Due Saturday 11 PM * Exam #4 (Module 7) Due on 3/8 11:55 PM Ends on Saturday

Module 1 Introduction to Assurance and Financial Statement Auditing And Ethics

Qifeng Wu. Ph.D.

1. Demand for Auditing and Assurance

Definition: An audit is a service that provides assurance to investors, creditors, or other stakeholders that a company is being honest about its financial information and that the information is reliable.

2. Audit Quality (Ernst and Young LLP):

1. Being independent and objective, and acting with integrity and professional skepticism.
2. Complying with professional standards, including exercising due professional care.
3. Deploying multidisciplinary teams, with appropriate skills and experience.
4. Identifying risks at the companies we audit and designing appropriate audit responses.
5. Leveraging a continuous improvement mindset, coupled with effective supervision and review, to pace work and address issues early.
6. Using innovative technology to deepen understanding of a business and obtain better-quality audit evidence.
7. Having honest, robust and timely communication with the audit committee and management.

3. Principles and Agents: The demand for auditing can be understood as the need for accountability when business owners hire others to manage their businesses, as is typical in modern corporations due to information asymmetry between companies' insiders and outsiders.

Example: Principles – Stockholders

Agents: CEOs, CFOs, etc;

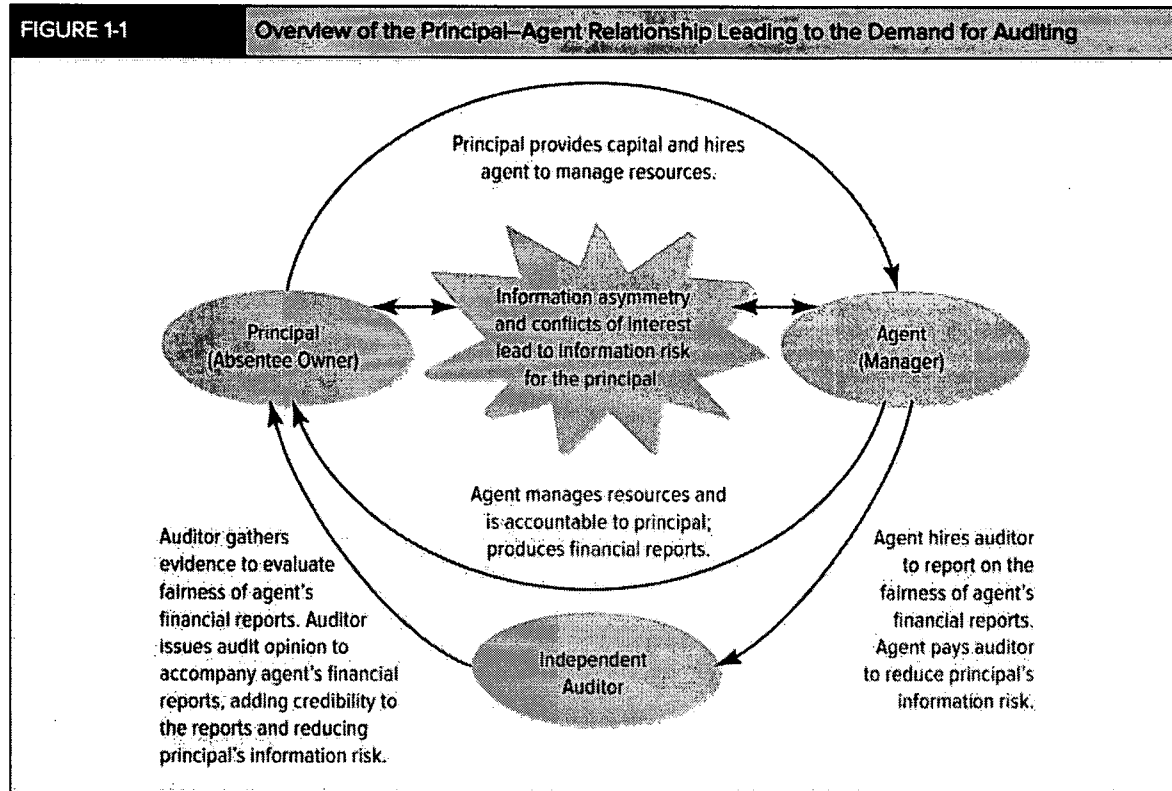
Note: Understanding modern corporate governance, Capital market, and publicly traded company.

4. **Information asymmetry:** the manager (insider) running the corporate operations has more information than majority of the shareholders (absentee owner).
5. **Role of Auditing:** To determine whether the financial reports prepared by the manager conform to the contract's provisions, adding credibility to the reports and reducing information risk, or the risk that information circulated by a company's management could be false or misleading.
6. **Purpose: Independent audit opinions that promote trust and confidence in the capital markets.** Accounting research indicate that higher audit quality is statistically associated with lower cost of capital.¹ Corporations are generally raise capitals through public capital market,

such as bonds or stock issuance, the quality audit helps lowering the overall cost for companies to raise capital from the capital markets.

7.

Figure 1-1



Summary: Auditing is demanded because it plays a valuable role in monitoring the contractual relations between the entity and its stockholders, managers, employees, and debt holders.

CPAs have been charged with providing audit services because of their reputation for competence, independence, objectivity, and concern for the public interest. Thus, CPAs are able to add credibility to information produced and reported by management to other parties, such as the stockholders or debt holders.

Audit Standard (AS) 1000: The auditor has a fundamental obligation to protect investors through the preparation and issuance of informative, accurate, and independent auditor's reports. This responsibility transcends an auditor's relationship with management and the audit committee of the company under audit, providing the foundation for an objective and independent audit.

¹ Ahmed, A.S., Rasmussen, S.J. and Tse, S.Y., 2008. Audit quality, alternative monitoring mechanisms, and cost of capital: An empirical analysis. *Alternative Monitoring Mechanisms, and Cost of Capital: An Empirical Analysis* (August 2008).

II. Management assertion and financial statements

SOX Section 302: CEO and CFO are directly responsible for the accuracy, documentation and submission of all financial reports as well as the internal control structure to the SEC.

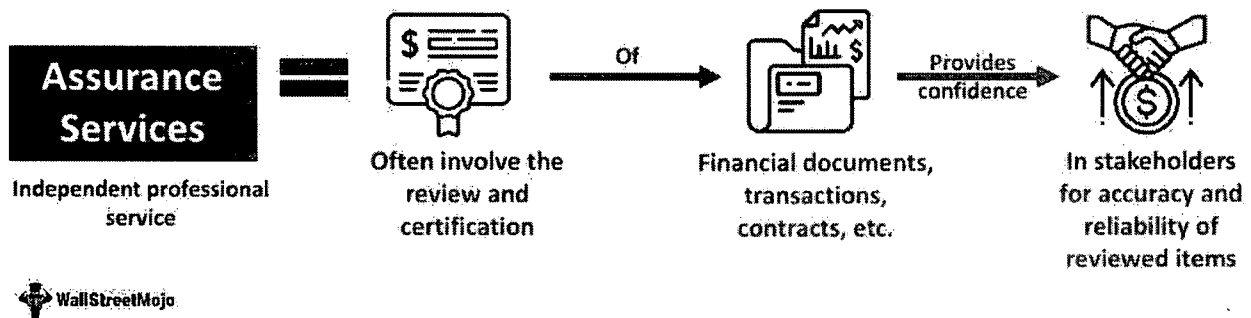
Assertion: Financial statement assertions are management's expressed or implied claims about information reflected in the financial statements. Assertions are critical to auditing because they are the focus of the auditor's evidence collection efforts. (Chapter 5)

III. Definition for Auditing, attestation, and assurance

Assurance services – independent professional services intended to help decision makers by improving the quality or context of information they use.

Example: risk assessment, business performance measurement, information system reliability, etc

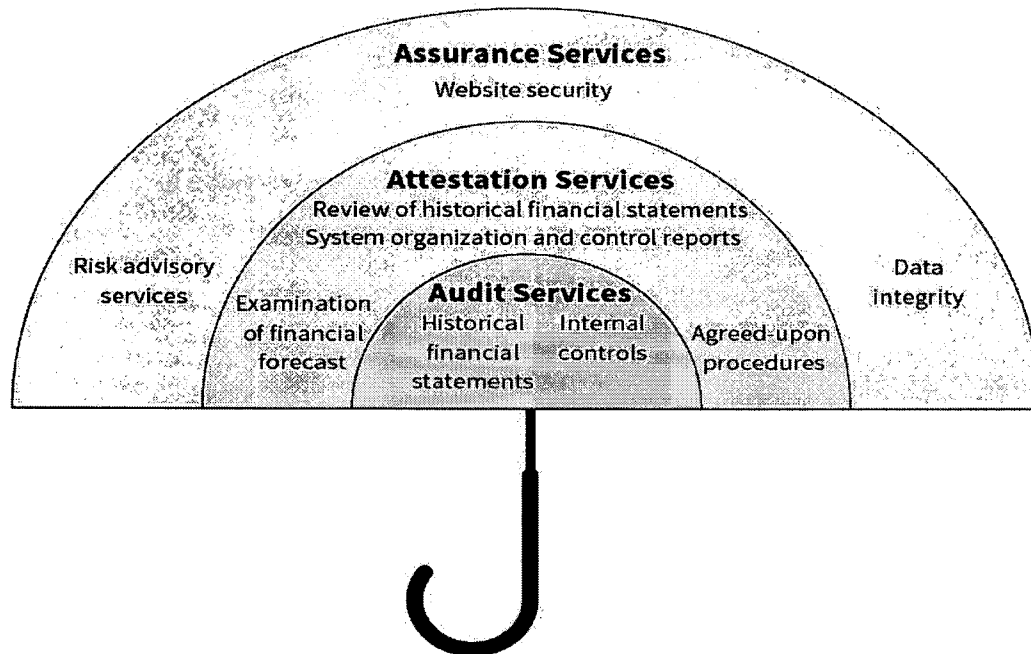
What Are Assurance Services?



Attest services: a subset of assurance services, services that involve reporting on an assertion or other subject matter that is the responsibility of another party. Service includes evaluating and reporting on aspects of prospective information, budgets, analyses, systems and processes, and even the particular actions of specific parties.

Example: Audits of historical financial statements, reports on security procedures, etc.

Auditing: Involves objectively obtaining and evaluating evidence to assess another party's assertions that a particular set of information has been recorded and presented in accordance with a predetermined set of criteria, together with the issuance of a report that indicates the degree of correspondence between the assertions and the criteria.



Materiality: refers to the amount by which a set of financial statements could be misstated without affecting the judgment of a reasonable person.

Audit risk is the risk that the auditor expresses an inappropriate audit opinion when the financial statements are materiality misstated.

Audit Process

1. **Client Acceptance/Continuance:** Professional standards require that auditors establish policies and procedures for deciding whether to accept new audit clients and to retain current clients.
2. **Preliminary engagement activities:**
 - (1) Determine the audit engagement team requirements, (2) ensure the independence of the audit firm and audit team, and (3) establish an understanding with the client regarding the services to be performed and the other terms of the engagement.
3. **Plan and Audit:** In order to plan the audit, the audit team must determine materiality and make a preliminary assessment of the client's business risks. (SOX 404)
4. **Consider and audit internal control:** Internal control is put in place by the company's BOD and management to help the company achieve its reliable financial reporting, effective and efficient operations, and consistent compliance with applicable laws and regulations.
5. **Audit business processes and related accounts:** organize audits by grouping financial statement accounts according to the business processes that primarily affect those accounts.
6. **Complete the audit:** after the auditor has finished gathering audit evidence relating to management's financial statement assertions, the auditor assesses the sufficiency and appropriateness of the evidence and obtains additional evidence were deemed necessary.

7. **Evaluate results and issue audit report:** After completion of the audit work, the auditor opinion will be issued **unqualified/unmodified** audit report or others.
8. Other types of audit opinion:
 - a. **Qualify**, explaining that the financial statements are presented fairly except for the misstatement identified by the auditor.
 - b. **Adverse**, if the misstatement is considered so material that it pervasively affects the interpretation of the financial statements, indicates that the financial statements are not presented fairly and should not be relied upon.

Audit Data Analytics

Using analysis, modeling, and visualization to discover and analyze patterns, anomalies, and other information in data in the context of the audit.

Conclusion: This chapter provides an overview of auditing, in terms of concepts and techniques of gathering and evaluating evidence to assess management's financial statement assertions.



Ethical Conduct for Auditors

Chapter 19 Professional Conduct, Independence, and Quality Management

I. Ethics and Professional Conduct

1. Ethics and Professionalism Defined:

Ethics: a system or code of conduct based on moral duties and obligations that indicate how an individual should interact with others in society. A sense for ethics guides individuals to value more than their own self-interest and to recognize and respect the interests of others.

Professionalism refers to the conduct, aims, or qualities that characterize a profession or professional person. All professions establish rules or codes of conduct that define ethical behavior for members of the profession. Purpose of these rules: (1) users of the professional services know what to expect when they purchase such services, (2) members of the profession know what behavior is acceptable, and (3) the profession can monitor the actions of its members and apply discipline where appropriate.

2. Theories of Ethical Behavior

- (1) A utilitarian approach: entails recognizing that decision making involves trade-offs between the benefits and burdens of alternative actions, and it focuses on the consequences of a particular action on the individuals affected.
- (2) Rights-based approach requires recognition that individuals have certain rights and that other individuals have a duty to respect those rights.
- (3) Justice-based approach: concerned with issues such as equity, fairness, and impartiality. This theory involves two basic principles. The first principle posits that each person has a right to have the maximum degree of personal freedom that is still compatible with the liberty of others. Second, asserts that social and economic actions should be to everyone's advantage and the benefits available to all.

II. An overview of Ethics and Professionalism in Public Accounting

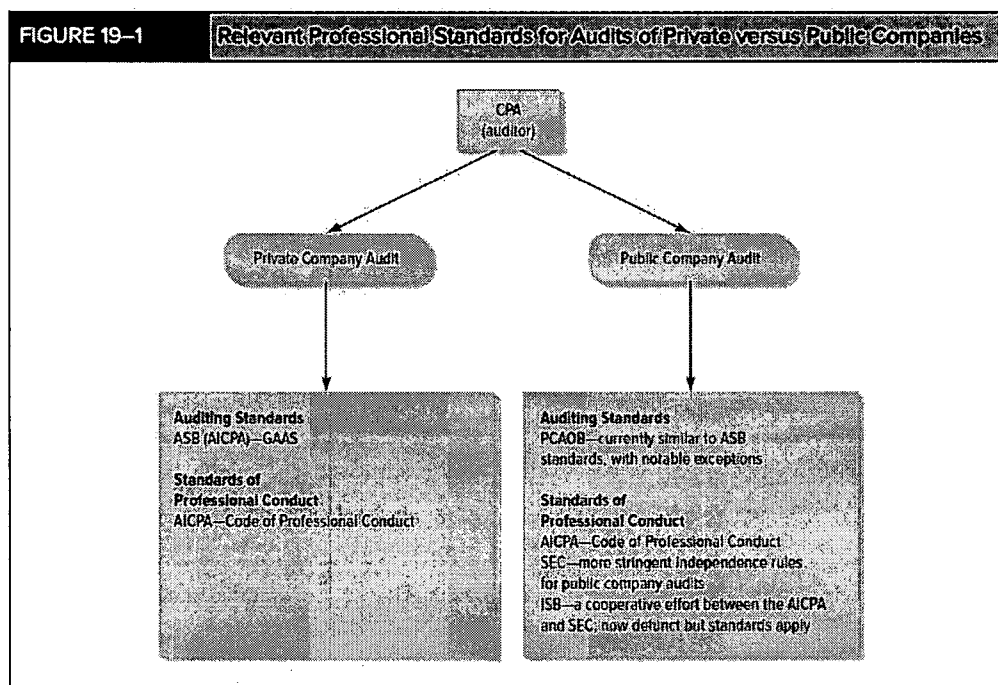
1. Standards for Auditor Professionalism

The AICPA established auditing standards and a Code of Professional Conduct, mapping out the primary areas in which ethical conduct is expected of public accountants. State and federal courts held that all practicing CPAs, whether in public or private practice and whether or not a member of the AICPA, must follow professional ethical standards as laid out in the code of professional conduct.



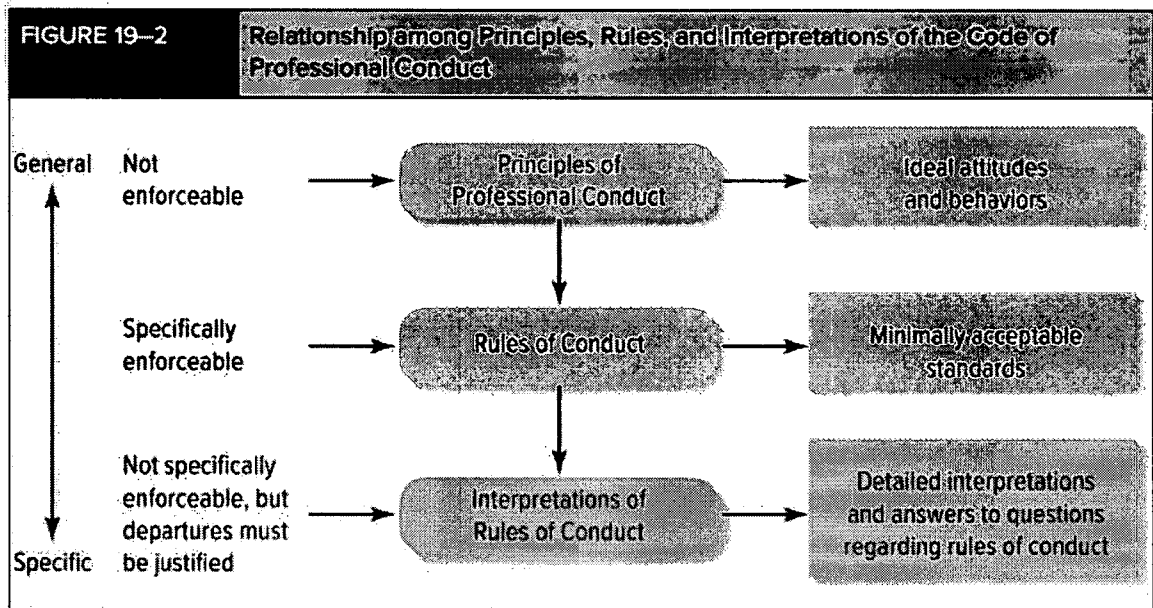
SEC has legal authority to oversee the public accounting profession. SEC exercises considerable influence in the standard-setting process and has established standards of its own from time to time, some of which differ from those established by private-sector bodies.

PCAOB, upon taking authority for establishing auditing standards for public company audits, adopted the professional standards established by the AICPA, including the rules for integrity, objectivity, and independence in the AICPA's Code of Professional Conduct. It has more stringent standards of professional conduct provides the broadest map of the areas in which professionalism is expected from auditors, the code serves as the organizing framework for the discussion of auditor ethical and professional responsibilities in this chapter.



In auditing a publicly held company, a CPA must follow the auditing standards of the PCAOB, the Code of professional Conduct, and the more stringent professional conduct requirements established by the SEC and PCAOB.

III. The AICPA Code of Professional Conduct: A comprehensive framework for auditors



1. Principles of Professional Conduct

Responsibilities: In carrying out their responsibilities as professionals, members should exercise sensitive professional and moral judgments in all their activities.

The public Interest: Members should accept the obligation to act in a way that will serve the public interest, honor the public trust, and demonstrate a commitment to professionalism.

Integrity: To maintain the broadened public confidence, members should perform all professional responsibility with the highest integrity.

Objectivity and Independence: A member should maintain objectivity and be free of conflicts of interest in discharging professional responsibilities. A member in public practice should be independent in fact and appearance when providing auditing and other attestation services.

Due care: A member should observe the profession's technical and ethical standards, strive continually to improve competence and the quality of services, and discharge professional responsibility to the best of the member's ability.

Scope of nature of services: A member in public practice should observe the principles of the code of professional conduct in determining the scope and nature of services to be provided.

2. Rules of Conduct: Please download the link below.

<https://us.aicpa.org/content/dam/aicpa/research/standards/codeofconduct/downloadabledocument2014december15contentasof2016august31codeofconduct.pdf>



IV. Integrity, Objectivity, and Independence

1. **Integrity and Objectivity** – Framework, Rule, and Interpretations

In the performance of any professional service, a member shall maintain objectivity and integrity, shall be free of conflicts of interest, and shall not knowingly misrepresent facts or subordinate his or her judgment to others. [Prior reference: paragraph .01 of ET section 102]

2. **Independence Rule:** A member in public practice shall be independent in the performance of professional services as required by standards promulgated by bodies designated by Council.

AICPA professional standards require a public accounting firm, including the firm's partners and professional employees, to be independent in accordance with the Code's Independence Rule whenever the firm performs an attest service for an entity. Attest services include the following:

- (1) Financial Statement audit
- (2) Financial statement reviews
- (3) Other attest services as defined in the statements of standards for attestation engagements (SSAEs).

The AICPA uses an engagement team approach to determine independence. Under this approach, a covered member includes the following:

- (1) An individual on the attest engagement team.
- (2) An individual in a position to influence the attest engagement.
- (3) A partner, or manager who provides more than 10 hours of nonattest services to the attest client with any fiscal year. Designation as a covered member ends on the later of (i) the date that the firm signs the report on the financial statements for the fiscal year during which those services were provided or (ii) the date he or she no longer expects to provide 10 or more hours of nonattest services to the attest client on a recurring basis.
- (4) A partner or partner equivalent in the office in which the lead attest engagement partner equivalent primarily practices in connection with the attest engagement.
- (5) The firm, including the firm's employee benefits plans.
- (6) An entity whose operating, financial, or accounting policies can be controlled by the individuals or entities described above or by two or more such individuals or entities if they act together.

3. Interpretations of the Independence Rule classified along two dimensions

(i) **Financial relationships and business relationships**



Section 1.240 prohibits members from any financial relationship with an audited entity that may impair or give the appearance of impairing independence. This includes any direct or material indirect financial interest in the entity.

Note: materiality of the interest is only considered if the interest is indirect.

Any direct financial interest impairs independence even if it is immaterial.

Direct Financial Interest: a financial interest that is owned directly by an individual or entity, or is under the control of an individual or entity.

Example: beneficiary either controls the intermediary or has the authority to supervise or participate in the intermediary's investment decisions.

Indirect financial interest: (1) an auditor or other covered member has a financial interest in an entity that is associated with an attest entity; (2) the financial interest is beneficially owned through an investment vehicle, estate, trust, or other intermediary; and (3) the auditor does not control the intermediary or have authority to supervise or participate in the intermediary's investment decisions.

Business Relationships: If a CPA performs a managerial or other significant role for an entity's organization during the professional engagement or during the period covered by the financial statements.

Effect of Family Relationships: two major situations that can impair independence are as follows:

- (1) A close relative has a financial interest in the entity that is material to the close relative, and the CPA participating in the engagement is aware of the interest.
- (2) An individual participating in the engagement has a close relative who could exercise significant influence over the financial or accounting policies of the entity.

Immediate family: spouse, spousal equivalent, or dependent, regardless of whether the dependent is related.

Close relatives: parent, sibling, or nondependent child.

(ii) **Effect of Actual or Threatened Litigation**

Instances indicate impaired independence when actual or threatened litigation exists between the audited entity and the CPA:



- (1) The commencement of litigation by the present management alleging deficiencies in audit work for the entity would be considered to impair independence.
 - (2) An expressed intention by the present management to commence litigation against the CPA alleging deficiencies in audit work would also impair independence if the auditor concluded that it is probable that such a claim will be filled.
 - (3) The commencement of litigation by the CPA against the present management alleging management fraud or deceit would be considered to impair independence.
- (iii) Provision of Nonattest Services

AICPA Code of Professional Conduct permits CPAs to provide bookkeeping, systems implementation, internal audit outsourcing, and other services to non-public attest entities subject to certain conditions and limits. Cpa may not perform appraisal, valuation, or actuarial services if the results of those services will have a material effect on the entity's financial statements and the service involves considerable subjectivity.

Examples:

- Setting policy or strategic direction for the attest client
- Authorizing, executing, or consummating a transaction or otherwise exercising authority on behalf of an entity.
- Preparing source documents, in electronic or other form, evidencing the occurrence of a transaction.
- Having custody of entity assets.
- Supervising the entity's employees in the performance of their normal recurring activities.
- Determining which recommendations of the member should be implemented.
- Establishing or maintaining internal controls, including performing ongoing monitoring activities for an entity.
- Reporting to those charged with governance on behalf of management
- Accepting responsibility for the preparation and fair presentation of the attest client's financial statements.

- (iv) SEC and PCAOB independence Requirements for Audits of Public Companies



SEC's independence rules in some important differences relating to (1) Provision of other professional services, (2) handling of human resource and compensation-related issues, and (3) certain required communications.

- (1) Provision of other professional services: the SEC's rules with respect to services provided by auditors are predicated on four basic principles of auditor objectivity and independence: (a) an auditor should not audit his or her own work, (b) an auditor should not function in the role of management, (c) an auditor should not serve in an advocacy role for the entity, and (d) an auditor should not have a mutual or conflicting interest with an audit client.

Nonaudit services considered to impair independence by SEC:

- Bookkeeping or other services related to the accounting records or financial statements of the audit entity.
- Financial information systems design and implementation
- Appraisal or valuation services, fairness opinions, or contribution-in-kind reports.
- Actuarial services
- Internal audit outsourcing services
- Management functions or human resources
- Broker or dealer, investment adviser, or investment banking services
- Legal services
- Expert services

- (2) handling of human resource and compensation-related issues:

- a. The lead and engagement quality review partners on the engagement team for a public company audit are prohibited from providing audit services to the company for more than five consecutive years.
- b. Auditors often have opportunities to change jobs for a financial management position at a former audit client. Example: 10 hours rule for audit, review, or attest services for any former partner within the one-year period.
- c. Audit partner who receives compensation based on selling engagements to that entity for services other than audit, review, and attest services. Applies to both domestic and U.S. issuers with foreign subsidiaries.

- (3) SEC requires the auditor of a public company must report to the company's audit committee all "critical accounting policies" used by the company, all



alternative treatments with GAAP for policies and procedures related to material items discussed with management, and other material written communications between the auditor and the company's management.

Proxy statements and annual reports issued by public companies must contain disclosures regarding (1) audit fees, (2) audit-related fees, (3) tax fees, and (4) all other fees billed during the prior fiscal years by the principal auditor of the company's financial statements.

V. Other rules in the code of professional conduct

1. General Standards and Accounting Principles

- A. Professional Competence: Only those professional services that the member or the member's firm can reasonably expect to be completed with professional competence.
- B. Due Professional Care: Exercise due professional care in the performance of professional services
- C. Planning and supervision: Adequately plan and supervise the performance of professional services.
- D. Sufficient Relevant Data: obtain sufficient relevant data to afford a reasonable basis for conclusions or recommendations in relation to any professional services performed.
- 2. Compliance with standards rule: a member who performs auditing, review, compilation, management consulting, tax, other professional services shall comply with standards with standards promulgated by bodies designated by council.
- 3. Accounting principles rule: No opinion or state affirmatively that (1) F/S are presented in conformity with GAAP, or (2) state that he or she is not aware of any material modifications that should be made to such statements or data in order for them to be in conformity with GAAP, for any departure from GAAP.
- 4. Confidential Information

A member in public practice shall not disclose any confidential client information without the specific consent of the client.

- 5. Fees and Other Types of Remuneration: CPA shall not (a) perform for a contingent fee any professional services for, or receive such a fee from, a client for who the member or the member's firm performs an audit or review of a financial statement; or a compilation of a financial statement when the member expects, or reasonably might expect, that a third party will use the financial statement and the member's compilation report does not disclose a lack of independence or an examination of prospective financial information or (b) prepare an original or amended tax return on claim for a tax refund for a contingent fee for any client.
- 6. Commissions and Referrals Fees Rule:
 - (a) Prohibited commissions: no commission for reference or any service to be supplied by client, or any commission for any other accounting related service.
 - (b) Disclosure of permitted commissions: any non-prohibited commission shall disclose.



- (c) Referral fees: any member who accepts a referral fees that is no prohibited shall disclose.

VI. Quality Management Standards

Eight components that make up an effective system of quality management:

- (1) The firm's risk assessment process
- (2) Governance and leadership
- (3) Relevant ethical requirements
- (4) Acceptance and continuance of client relationships and specific engagements
- (5) Engagement performance
- (6) Resources
- (7) Information and communication
- (8) The monitoring and remediation process

VII. PCAOB inspections of registered public accounting firms

The PCAOB conducts regular inspections of public accounting firms that are required to register with the Board. These inspections focus on selected audit engagements and evaluate the sufficiency of audit firms' quality management systems. The purpose of these inspections is to ensure that registered firms, in connection with their audits of public companies, comply with the Sarbanes-Oxley Act, PCAOB rules, SEC rules, and professional standards.

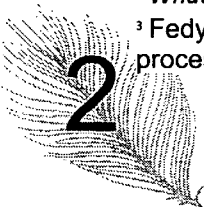
VIII. Artificial Intelligence (AI) in Audit Practice

1. "In an audit, AI can be used in a variety of ways, including performing journal entry testing by identifying unusual transactions among a large pool of unstructured data and analyzing those transactions for patterns and anomalies. AI can also be used in the audit's planning phase and when performing risk identification and assessment procedures. Using AI powered technology tools, the auditor can move beyond traditional practices to more efficiently analyze client information and more easily identify risk, thereby enhancing audit quality." ² Research finds that AI helps improve audit quality, reduces fees, and ultimately displaces human auditors, although the effect on labor takes several years to materialize.³

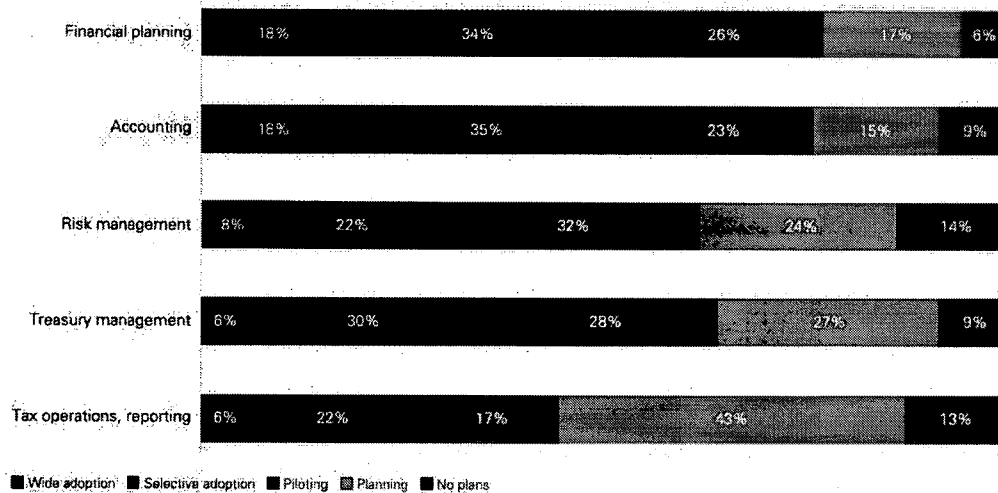
Current status: The use of AI in the finance function has reached its highest levels yet, with 88% using AI, and 62% of them to moderate degree, according to our new survey report.

² *What AI can do for auditors*, Journal of Accountancy, Anita Dennis, February 1, 2024

³ Fedyk, A., Hodson, J., Khimich, N. and Fedyk, T., 2022. Is artificial intelligence improving the audit process?. *Review of Accounting Studies*, 27(3), pp.938-985.



Progress made by US companies in the use of AI in finance areas



Sources: KPMG, AI in Finance Report, 2024

2. Five Main benefits from using AI in finance:

1. Better data and decisions: ability to predict trends and impacts, increase data accuracy and reliability, and better data-enabled decisions, and greater ability to identify data outliers.
2. Faster insights and reporting: real-time insights into risks, fraud, faster access to relevant information and data, faster quarterly and year-end reporting.
3. Lower costs and inefficiencies: lower costs, increased employee efficiency and productivity.
4. Improved operations: increased visibility into end-to-end processes, and improved operational effectiveness.
5. Greater skills and talent: enhanced staff skills due to AI assistants, ability to attract and retain talent, prepare employees for AI -assisted working.

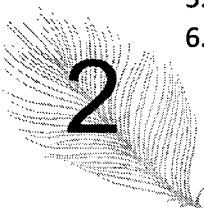
The overall benefits for AI through the industries will eventually lead to a better return on investment (ROI).

3. US companies want auditor support on AI

Most US companies expect their auditors to conduct a detailed review of their control environment to ensure the responsible use of AI reporting. Many would also like their auditors to conduct assessment of their AI governance maturity, third-party attestation over the use of AI technology, and readiness/gap assessments.

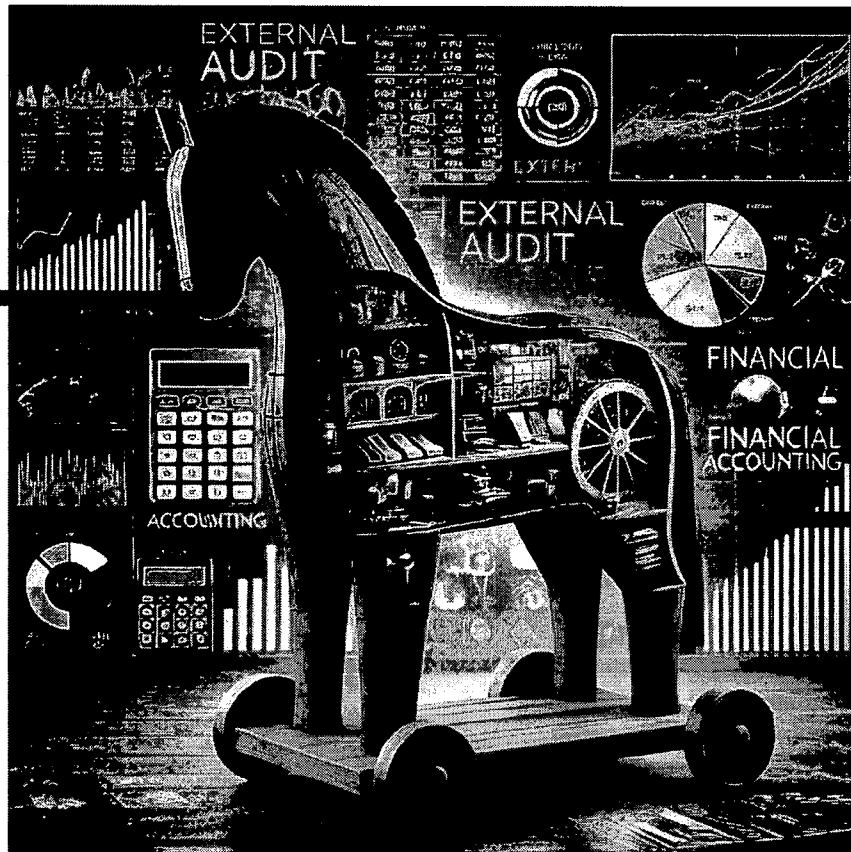
Top 10 activities that companies want auditors to conduct with AI:

1. Data analysis
2. Risk mitigation
3. Fraud detection
4. Risk/anomaly identification
5. Predictive analysis
6. Speed up the auditing process (efficiency)



7. Real-time auditing
8. Gather value-added insights
9. Analyze economic trends
10. Document and data gathering

IX. Relationship between financial accounting and auditing



Source: This image was created by using ChatGPT December 29, 2024

X. **Real Example(Audit Report):**

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors of lululemon athletica inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of lululemon athletica inc. and its subsidiaries (together, the Company) as of January 29, 2023 and January 30, 2022, and the related consolidated statements of operations and comprehensive income, of stockholders' equity and of cash flows for each of the 52-week years ended January 29, 2023, January 30, 2022, and January 31, 2021, including the related notes (collectively referred to as the consolidated financial statements). We also have audited the Company's internal control over financial reporting as of January 29, 2023, based on criteria established in *Internal Control – Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of January 29, 2023 and January 30, 2022, and the results of its operations and its cash flows for each of the 52-week years ended January 29, 2023, January 30, 2022, and January 31, 2021 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of January 29, 2023, based on criteria established in *Internal Control – Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Annual Report on Internal Control over Financial Reporting appearing under Item 9A of the Company's 2022 Annual Report on Form 10-K. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.



Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that (i) relate to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Inventory Provision

As described in Notes 2 and 3 to the consolidated financial statements, inventories are valued at the lower of cost and net realizable value, and management records a provision as necessary to appropriately value inventories that are obsolete, have quality issues, or are damaged. Provision expense is recorded in cost of goods sold. As of January 29, 2023, the Company's consolidated net inventories balance was \$1,447.4 million inclusive of the inventory provision of \$124.6 million. The amount of the inventory provision is equal to the difference between the cost of the inventory and its estimated net realizable value based on assumptions about product quality, damages, future demand, selling prices, and market conditions.

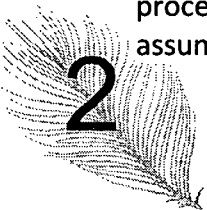
The principal considerations for our determination that performing procedures relating to the inventory provision is a critical audit matter are the significant judgment by management in determining the estimated net realizable value of inventories that are obsolete, have quality issues, or are damaged, which in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating audit evidence relating to the inventory provision.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the review of the inventory provision including the assumptions used. These procedures also included, among others, (i) observing the physical condition of inventories during inventory counts; (ii) evaluating the appropriateness of management's process for developing the estimates of net realizable value; (iii) testing the reliability of reports used by management by agreeing to underlying records; (iv) testing the reasonableness of the assumptions about quality, damages, future demand, selling prices and market conditions by considering historical trends and consistency with evidence obtained in other areas of the audit; and (v) corroborating the assumptions with individuals within the product team.

Goodwill Impairment Assessment – lululemon Studio (formerly known as MIRROR) Reporting Unit

As described in Notes 6 and 8 to the consolidated financial statements, the Company recorded a goodwill impairment in the amount of \$362.5 million during the year ended January 29, 2023. Goodwill is tested annually for impairment on the first day of the fourth quarter, or more frequently when an event or circumstance indicates that goodwill might be impaired. Management determined that there were indicators of impairment and therefore conducted an impairment test as of January 29, 2023. The fair value of the lululemon Studio reporting unit was estimated by management by using a discounted cash flow model, which resulted in the recognition of a goodwill impairment charge of \$362.5 million. The key assumptions used in the discounted cash flow model were the revenue growth rates, operating profit margins, and the discount rate.

The principal considerations for our determination that performing procedures relating to the goodwill impairment assessment of the lululemon Studio reporting unit is a critical audit matter are (i) the significant judgment by management when developing the fair value of the reporting unit; (ii) the high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management's discounted cash flow model including the key assumptions related to the revenue growth rates, operating profit margins, and the discount



rate; and (iii) the audit effort, which involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's goodwill impairment assessment, including controls over the fair value estimate of the lululemon Studio reporting unit. These procedures also included, among others, (i) testing management's process for developing the fair value estimate; (ii) testing the completeness and accuracy of the underlying data used in the model; and (iii) evaluating the reasonableness of the key assumptions used by management related to the revenue growth rates, operating profit margins, and the discount rate. Evaluating the reasonableness of the revenue growth rates and operating profit margins involved.

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considering (i) the current and past performance of the reporting unit; (ii) the performance of peer companies; (iii) the consistency with economic and industry forecasts; and (iv) whether these assumptions were consistent with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in the evaluation of the appropriateness of the Company's discounted cash flow model and the reasonableness of the discount rate assumption.

/s/ PricewaterhouseCoopers LLP
Chartered Professional Accountants
Vancouver, Canada
March 28, 2023

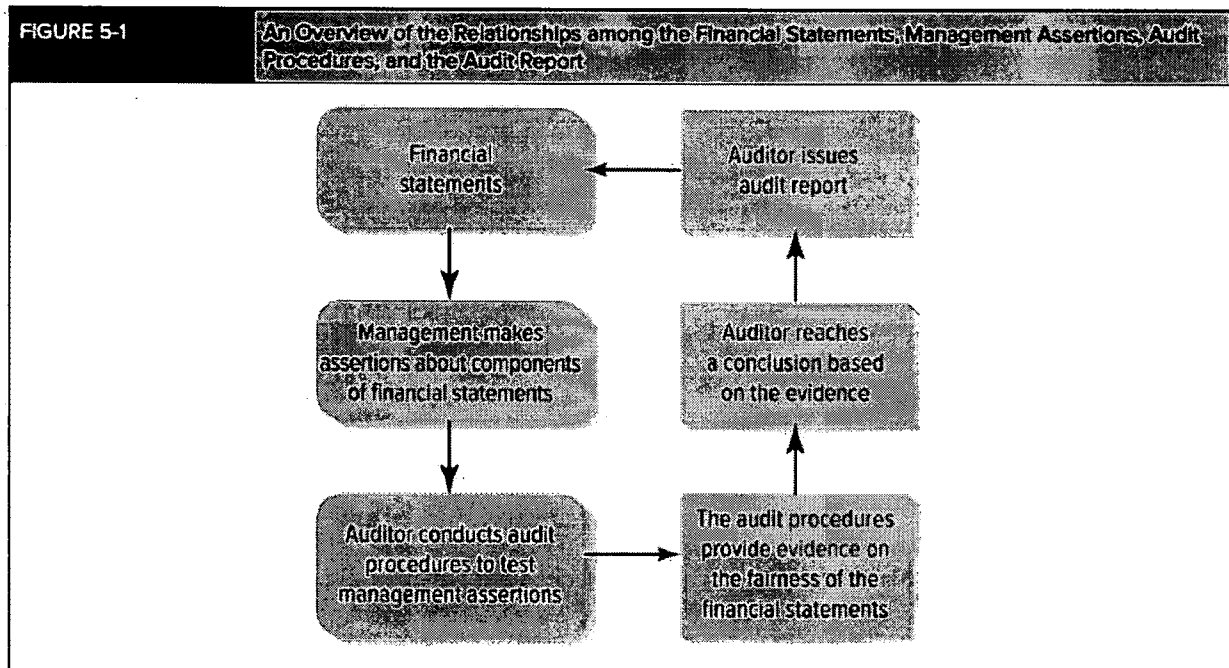
We have served as the Company's auditor since 2006.

Chapter 5 Evidence and Documentation

I. Relationship of Audit Evidence to the Audit Report

Audit standards provide the basic framework for the auditor's understanding of audit evidence and its use in supporting the auditor's opinion on the financial statements. The auditor gathers evidence by conducting audit procedures to test management assertions.

Overview of the relationships among the financial statements, management assertions, audit procedures, and the audit report (Figure 1)



- II. **Management Assertions:** management's responsibility for the fair presentation of the financial statements. Thus, management makes assertions regarding the recognition, measurement, presentation, and disclosure of information in financial statements. Example: The annual report shows that the AR balance is \$5 million, management asserts that those receivables exist and have a net realizable value of \$5 million.

Management assertions fall into two categories:

1. Assertions about classes of transactions and events, and related disclosure, for the period under audit.
2. Assertions about account balance, and related disclosures, at the period end.

- III. Assertions related to transactions and events, and related disclosures, for the period under audit (**Income Statement**).

- a. **Existence or Occurrence** – Assets or liabilities of the company exist at a given date, and recorded transactions have occurred during a given period.
- b. **Completeness** – All transactions and accounts that should be presented in the financial statements are so included.
- c. **Authorization** – Whether all transactions have been properly authorized.
- d. **Valuation, Accuracy, or Allocation** – Asset, liability, equity, revenue, and expense components have been included in the financial statements at appropriate amounts.
- e. **Rights and Obligations** – The company holds or controls the rights to the assets, and the liabilities are obligations of the company at a given date.
- f. **Presentation and Disclosure** – The components of the financial statements are properly described and disclosed.
- g. **Cutoff** – Transactions have been recorded in the correct accounting period.
- h. **Classification** – Assets, liabilities, equity, and transactions and events have been recorded in proper accounts.

Balance Sheet Assertion, at the period end:

Existence: Assets, liabilities, and equity exist.

Rights and obligations: the entity holds or controls the rights to assets, and liabilities are the obligations of the entity.

Completeness: all assets, liabilities, and equity interests that should have been recorded have been recorded, and all related disclosures that should have been included in the financial statements have been included.

Accuracy, valuation, and allocation: assets, liabilities, and equity interests have been included in the financial statements at appropriate amounts, and any resulting valuation or allocation adjustments have been appropriately recorded, and related disclosures have been appropriately measured and described.

Classification: Assets, liabilities, and equity interests have been recorded in the proper accounts.

Presentation: Assets, liabilities, and equity interests are appropriately aggregated or disaggregated and clearly described, and related disclosures are relevant and understandable in the context of the requirements of the applicable financial reporting framework.

IV. Understanding audit evidence

Concept of audit evidence:

- a. Information used as audit evidence.
 - 1. Oral information: verbal response to an inquiry of management or external information sources.
 - 2. Visual information: auditors observe many activities.
 - 3. Paper Documents: information obtained in documentary form.
 - 4. Electronic information: two forms of information can be included here.

b. The sufficiency and appropriateness of audit evidence.

1. Audit evidence is necessary to support the auditor's opinion, which is cumulative in nature, based on various sources, and primarily obtained from audit procedures performed during the audit.
2. Sufficiency is the *quantity* of audit evidence gathered.
3. Appropriateness is the *quality* of the audit evidence gathered. Evidence is considered appropriate when it provides information that is both relevant and reliable.
4. Sufficiency and appropriateness of audit evidence are interrelated, and they affect the persuasiveness of audit evidence.
5. Sources of information to be used as audit evidence – relevance and reliability for quality of the information.
 - 5-1. Management – provide information related to financial reporting process including records of initial accounting entries and supporting records, source of calculations for records.
 - 5-2. External information sources and other external parties, such as industry data.
 - 5-3. Auditor – the auditor may develop information to be used as audit evidence.
6. Relevance – the information used as audit evidence refers to its relationship to the assertion or to the objective of the control being tested.

Depends on: (1) test an assertion or control directly.

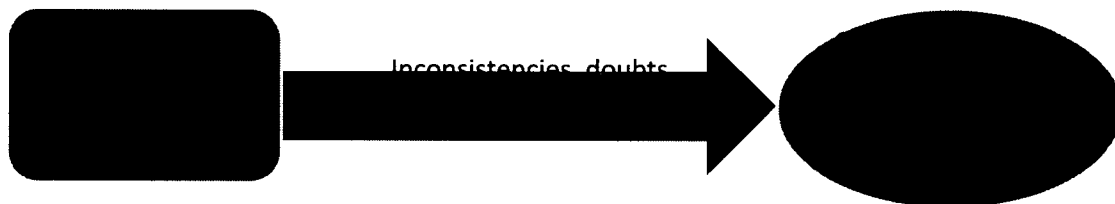
(2) test for understatement

7. Reliability – evidence refers to whether a particular type of evidence can be relied upon to signal the true state of assertion.

Factors impact on reliability:

- a. Knowledgeable source independent of the entity.
- b. Effectiveness of internal control
- c. Auditor's direct personal knowledge
- d. Documentary evidence.
- e. original documents

c. The evaluation of audit evidence – proper evaluation of evidence requires that the auditor understand the types of information used as audit evidence and their relevance and reliability.



V. Audit Procedures for Obtaining Audit Evidence

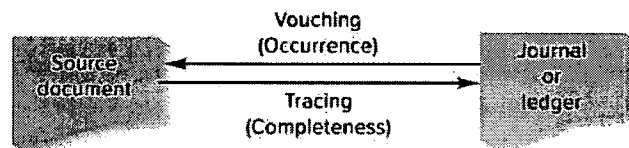
1. Risk assessment procedures: used to obtain an understanding of the entity and its environment, including internal control, to assess the risks of material misstatement at the financial statement and relevant assertion levels.
2. Further audit procedures, (1) Test of controls, used to test the operating effectiveness of controls in preventing, or detecting and correcting, material misstatements at the relevant assertion level. (2) Substantive procedures, used to detect material misstatements at the relevant assertion level, including test of details and substantive analytical procedures.

VI. Type of evidence

1. Inspection, involves an examination of an asset or an examination of records or documents, whether internal or external or in paper form, electronic form, or other media. Key points for inspection: **Source of evidence** and **direction of testing** between the accounting records and source documents.

FIGURE 5-2

Direction of Testing for Validity and Completeness



2. Observation, consists of looking at a process or procedure being performed by others. For example, observation of the performance of control activities and the observation of the counting of inventories by the entity's personnel.
3. Inquiry, seeking information, both financial and nonfinancial, of knowledgeable persons within the entity or outside the entity, may range from formal to informal inquiries.

TABLE 5-4

Techniques for Conducting and Evaluating Inquiries

In conducting inquiry, the auditor should:

- Consider the knowledge, objectivity, experience, responsibility, and qualifications of the individual to be questioned.
- Ask clear, concise, and relevant questions.
- Use open or closed questions appropriately.
- Listen actively and effectively.
- Consider the reactions and responses and ask follow-up questions.
- Evaluate the response.

4. Confirmation, external confirmation represents audit evidence obtained as a direct written response to the auditor from a third party, either paper form or by electronic.

5. Factors affect evidence reliability:
 - The form of the confirmation.
 - Prior experience with the entity.
 - The nature of the information being confirmed.
 - The intended respondent.

TABLE 5-5 Amounts and Information Frequently Confirmed by Auditors	
Amounts or Information Confirmed	Source of Confirmation
Cash balance	Bank
Accounts receivable	Individual customers
Inventory on consignment	Consignee
Accounts payable	Individual vendors
Bonds payable	Bondholders/trustee
Common stock outstanding	Registrar/transfer agent
Insurance coverage	Insurance company
Collateral for loan	Creditor

6. Recalculation: Consists of checking the mathematical accuracy of information, it can be performed manually or through the used of information technology. Example: depreciation expense, accrued interest etc.
7. Repformance: involves the independent execution of procedures or controls by the auditor that were originally performed as part of the entity's internal control. Example: reperform the aging accounts receivable (How?).
8. Analytical Procedures consist of evaluation of financial information through analysis of plausible relationships among both financial and nonfinancial data.


Accomplish three auditor's purposes by analytical procedures:

1. Risk assessment procedures to assist the auditor to better understand the business and to plan the nature, timing, and extent of audit procedure.
2. Substantive analytical procedures are used as a substantive procedure to obtain evidential matter about particular assertions related to account balances or classes of transactions.
3. Final analytical procedures are used as an overall review of the financial information in the final review stage of the audit.

Three conditions for the reliability of analytical procedures:

- a. The availability and reliability of the data used in calculations.
- b. The plausibility and predictability of the relationship being tested.
- c. The precision of the expectation and the rigor of the investigation.

TABLE 5—6 General Guidelines for the Reliability Hierarchy of Evidence by Procedure Type

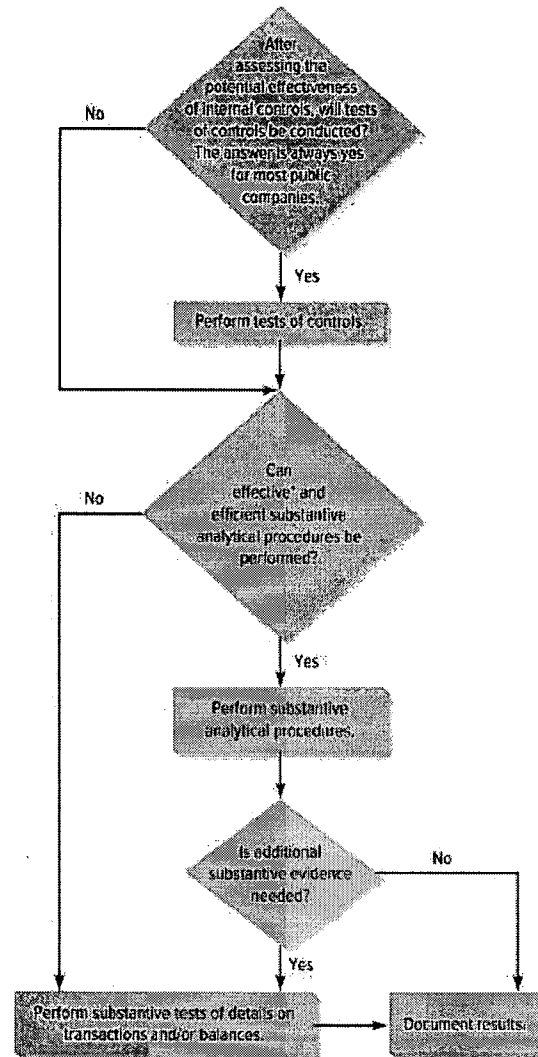
General Reliability Relationship*	Types of Procedure Used to Obtain Evidence
Higher 	Inspection of an asset, reperformance, recalculation Inspection of records and documents, confirmation, analytical procedures
Lower	Observation, inquiry

*This figure illustrates general hierarchical guidelines. The reliability of the evidence will depend on the facts and circumstances. For example, confirmations may be highly reliable in some circumstances.

VII. Audit testing Hierarchy

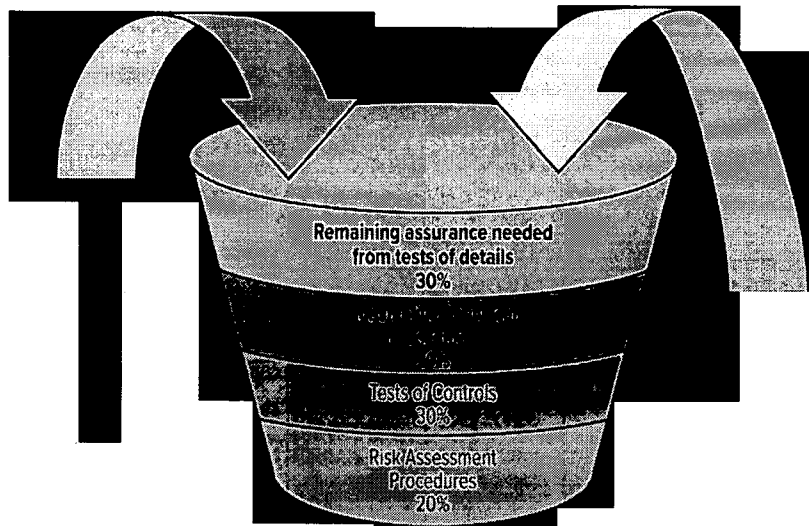
FIGURE 5-3

Audit Testing Hierarchy: An Evidence Decision Process for Testing Classes of Transactions or Significant Balances

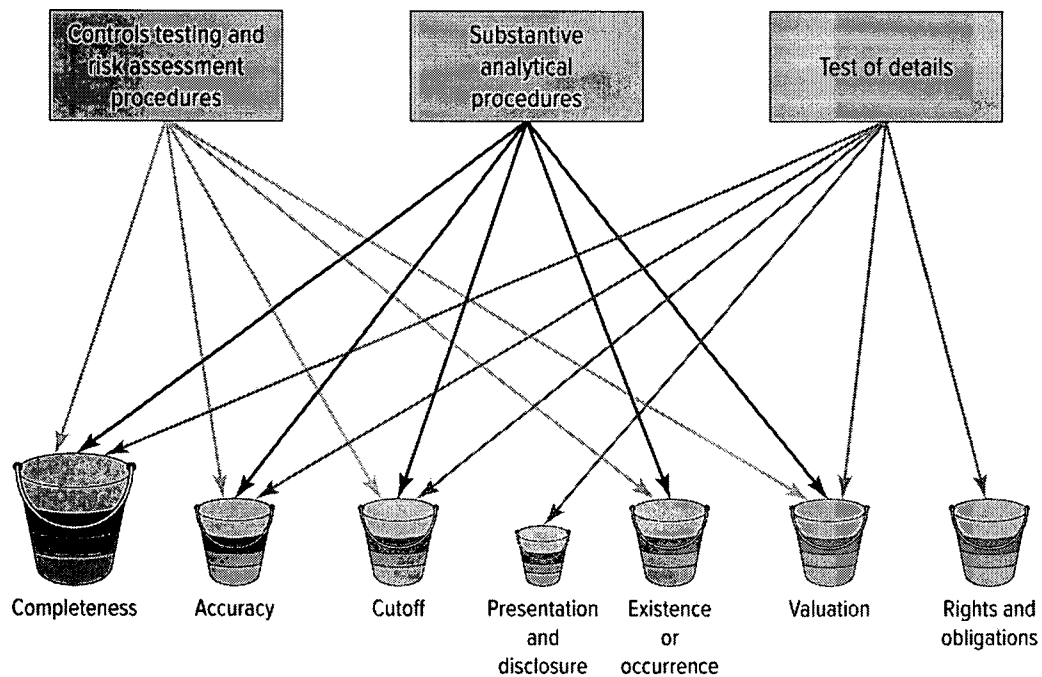


*i.e., sufficiently precise to provide assurance about an assertion.

1. An "Assurance Bucket" Analogy



Example: Accounts Payable

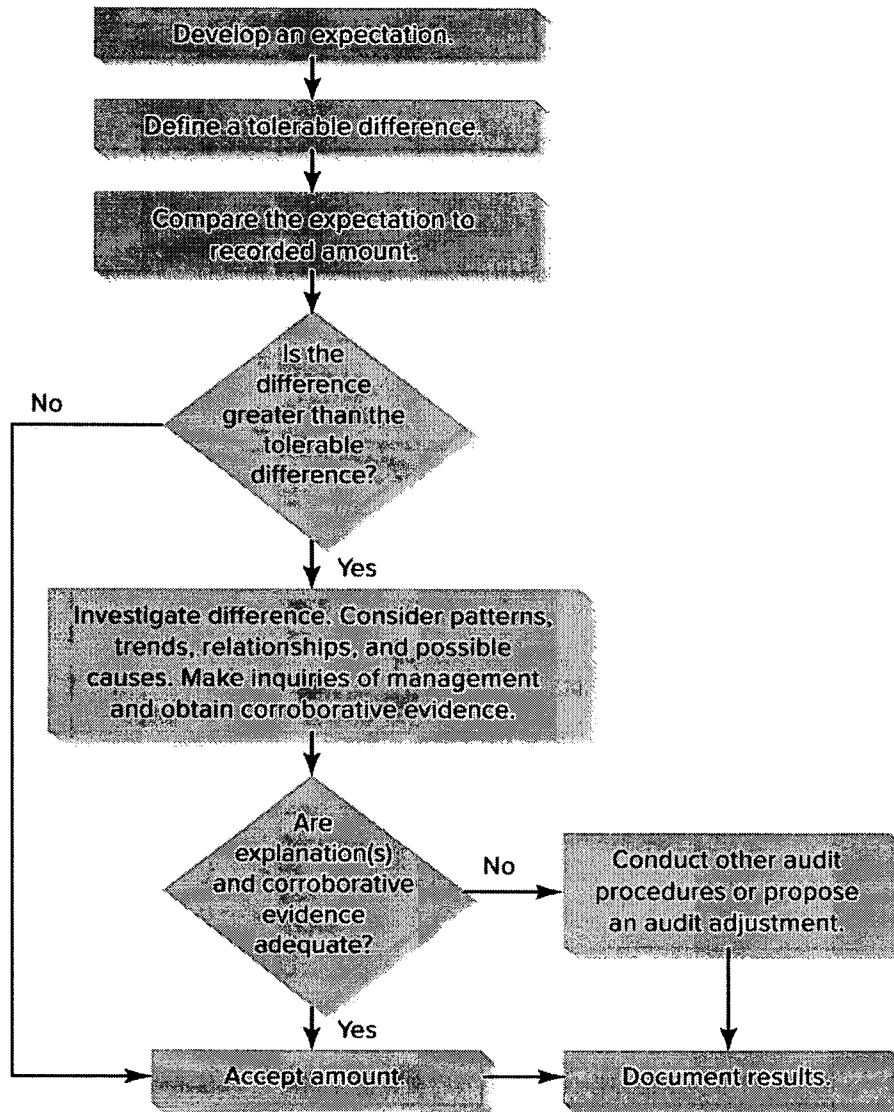


VIII. Audit documentation:

Three purposes: 1. To provide principal support for the representation in the auditor's report that the audit was conducted in accordance with GAAS;

2. To aid in the planning, performance, and supervision of the audit,
3. To provide the basis for the review of the quality of the work by providing a written documentation of the evidence supporting the auditor's significant conclusions.

IX. Auditor Decision Process-Analytical Procedures



1. Develop an expectation.

Based on sources such as:

- a. Financial and operating data
- b. Budgets and forecasts.
- c. Industry publications.
- d. Competitor information.
- e. Management's analyses
- f. Analysts' reports

2. Data Reliability: Precise expectations are influenced by the reliability of the available data.
3. Type of Analytical procedure used to form an expectation: Trend analysis, ratio analysis, and reasonableness analysis.
4. Define to tolerable difference: the size of the tolerable difference depends on the significance of the account, the desired degree of reliance on the substantive analytical procedure, the level of disaggregation in the amount being tested, and the precision of the expectation.
5. Compare the expectation to the recorded amount: determine if the amount of difference between the auditor's expectation and the recorded amount exceeds the auditor's tolerable difference.
6. Investigate differences greater than the tolerable difference: differences identified by substantive analytical procedures indicate an increased likelihood of misstatements.

Explanations for significant differences for substantive procedures:

- (1) Quantification involves determining whether the explanation or error can explain the observed difference.
- (2) Corroboration, auditors must corroborate explanations for unexpected differences by obtaining sufficient appropriate audit evidence linking the explanation to the difference and substantiating that the information supporting the explanation is reliable.
- (3) Evaluation, appropriate professional skepticism, and obtaining a sufficient amount of appropriate audit evidence.

Five ways to conduct analytical procedures:

- a. Comparisons: comparisons between account balances
 - Current year Vs. Prior Years
 - Current year Vs. Budget
 - Current year Vs. Industry averages.
- b. Trend analysis (horizontal analyses)
 - Comparing accounts balances over time.
 - Selecting a base year and restating all subsequent year as a percentage of that base

Income Statement Items				
Sales	\$250	(20)%	(10)%	20%

Cost of Sales	110	(10)	0	10
---------------	-----	------	---	----

c. Common-size analyses (vertical analyses)

Comparing account balances to a single line item, as a percentage

For I/S items, usually to revenue/sales

For B/S items, usually to total assets

Income Statement Items	
Sales revenue	100%
Cost of sales	44
Interest expense	4
Wages expense	28
Rent expense	16

d. Ratio Analysis: Profitability, liquidity, Solvency

Profit Margin (Profitability)		Measures profit after all operating expenses. Steady declines may be red flags.
Return on Assets (ROA) (Profitability)		Measures ability to generate income from investment in assets. Higher is better.
Quick Ratio (Liquidity)		Measures ability to meet short-term obligations with liquid assets. Higher is better.
Inventory Turnover in Days (Liquidity)		Measures how many days, it takes to sell inventory. Lower is better.
Receivables Turnover in Days (Liquidity)		Measures how many days it takes to collect cash from customers. Lower is better.

Debt-to-Equity (Solvency)		Measures proportion of equity and debt used to finance assets. Lower is better.
Times Interest Earned (Solvency)		Measures ability of earning to cover interest payments. Higher is better.

- e. Audit data analytics (ADA): involves various uses of software to analyze client's data identity patterns, anomalies, and other information useful in identifying risks.

Module 7 Reports on Audited Financial Statements

I. Reporting on the Financial statement Audit: The standard Unqualified/Unmodified Audit Report

1. The standard unqualified audit report for public companies.
 - a. The report title
 - b. The address
 - c. The "Opinion" section (including a reference to the opinion on the audit of internal control over financial reporting when that report is presented separately)
 - d. The "Basis for Opinion" section
 - e. The "Critical Audit Matters" section
 - f. The name/signature of the audit firm
 - g. An indication of how long the auditor has served as the company's auditor.
 - h. The audit report location and date
2. Critical Audit Matters (CAM): More information and Insight in the Audit Report

CAMs: defined as "any matters arising from the audit of the financial statements that are communicated, or required to be communicated, to the audit committee and that (1) relate to accounts or disclosures that are material to the financial statements; and (2) involved especially challenging, subjective, or complex auditor judgment" (AS 3101.11)

According to AS3101.12 auditor is required to take into account the following factors:

- (1) The auditor's assessment of the risks of material misstatement, including significant risks.
 - (2) The degree of auditor judgment related to areas in the financial statements that involved the application of significant judgment or estimation by management, including estimates with significant measurement uncertainty.
 - (3) The nature and timing of significant unusual transactions and extent of audit effort and judgment related to these transactions.
 - (4) The degree of auditor subjectivity in applying audit procedures to address the matter or in evaluating the results of those procedures.
 - (5) The nature and extent of audit effort required to address the matter, including the extent of specialized skill or knowledge needed or the nature of consultations outside the engagement team regarding the matter.
 - (6) The nature of audit evidence obtained regarding the matter.
3. CAM section includes a paragraph or table that
 - (1) Identifies the CAMs
 - (2) Describes the principal considerations that led the auditor to determine that each identified matter is a CAM
 - (3) Describes how each CAM was addressed in the audit

- (4) Makes reference to the financial statement accounts and disclosures that relate to the identified CAMs.

PCAOB indicates the presumption that in most audits, the auditor will identify at least one matter that involved challenging, subjective, or complex auditor judgment.

II. Explanatory language added to the standard unqualified/unmodified financial statement audit report.

1. Explanatory paragraph added to the standard unqualified audit report:
 - (1) The auditor performs an integrated audit and issues separate reports on the company's financial statements and internal control over financial reporting.
 - (2) The auditor decides to refer to the reports of other auditors as the basis, in part, for the auditor's own report.
 - (3) There is substantial doubt about the entity's ability to continue as a going concern.
 - (4) The current period's financial statements are not comparable to those of prior periods due to changes in the use of accounting principles between periods, or due to the correction of a material misstatement in previously issued financial statements.
 - (5) Management is required to report on the company's internal controls over financial reporting but such report is not required to be audited, and the auditor has not been engaged to perform such an audit.
2. Substantial doubt about the entity's ability to continue as a going concern

Basic Assumption: Financial reporting is that an entity will continue as a going concern meaning that business will stay in business as an "ongoing entity".

Auditor responsibility: Independently evaluate whether there is substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time, not to exceed one year beyond the date of the financial statements being audited for public company audits, or one year from the date of issuance of the financial statements for audits of the other entities.

Substantial doubt about an entity's going concern: Auditor should consider the possible effects on the financial statements and the related disclosures.

If management has adequately disclosed the entity's financial problems: Unqualified opinion but will include an explanatory paragraph, with an appropriate title, in the opinion section to emphasize the auditor's doubt about the entity's ability to continue as a going concern.

Departure from GAAP exists: if auditor has substantial doubt about the entity's ability to continue as a going concern and entity's relevant disclosures are inadequate.

Consequences for departure from GAAP: Qualified Opinion OR Adverse Opinion

If an entity received a going concern in the prior period, but removed in the current period, Not include the explanatory paragraph in the auditor's report covering the comparative financial statements.

3. Lack of comparability of financial statements between periods.

Financial statements should be comparable between periods for the purposes of decision usefulness as a fundamental principle of accounting.

Auditor responsibility on comparability: evaluate (1) whether these statements are consistent with those of the preceding period, if the auditor ONLY on a single period's financial statements; (2) if the immediately prior period is also presented, the auditor should evaluate the consistency of the financial statements being reported on with those of the immediate prior period.

Factors affect comparability with materiality: (1) change in accounting principles or (2) material adjustment to correct a misstatement in previously issued financial statements.

(1) Changes in Accounting Principles or method of Application

FASB ASC TOPIC 250 "Accounting changes and error corrections", If an entity makes a change in an accounting principle or in the method of its application that materially affects the comparability and the consistency of the financial statements across relevant periods, the auditor must **decide whether she or he concurs with the change.**

Examples:

Auditor response to above related issues: The explanatory paragraph s accompanied by an appropriate title and is added to the auditor's report immediately following the opinion paragraph.

(2) Correction of a Material misstatement in previously issued financial statements

ASC250 Requires the prior-period financial statements to be restated retroactively when material misstatements are identified in previously issued financial statements. The correction of a material misstatement can involve several situations:

- a. A change from the inappropriate use or application of accounting principle in prior years to an acceptable accounting principle in the current year.
- b. A change from an incorrect to a correct classification of transactions or balances on the financial statements.
- c. An adjustment to account balances to correct a material error in previously issued financial statements.

Auditor response to above related issues: The explanatory paragraph includes (1) an indication that the previously issued financial statements have been restated for the correction of a misstatement in the respective period and (2) a reference to the financial statement disclosure that describes the correction of the misstatement.

Note: Adding an explanatory paragraph does not eliminate the Auditor's responsibility to evaluate the adequacy of the restated financial statements or the disclosures relating to the restatement that ASC250 requires.

4. Other Changes that affect comparability

- (1) Change in accounting estimates. Useful life, Salvage value etc.
- (2) Reclassification from an acceptable classification to another. Assets types are commonly observed for reclassification.

5. Management reports on ICFR but audit of ICFR NOT required.

Auditor must add an explanatory paragraph in the basis for Opinion section indicating:

- a. The company is not required to have, nor was the auditor engaged to perform, an audit of its internal control over financial reporting;
- b. The auditor is required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the company's internal control over financial reporting; and
- c. The auditor expresses no such opinion.

III. Departures from an unqualified/unmodified Financial Statement Audit Report

- 1. Conditions for Departure from an unqualified/unmodified opinion: a scope limitation, a departure from GAAP or a lack of auditor independence, which could lead the auditor to report a qualified opinion, an adverse opinion, or a disclaimer of opinion.

Conditions for Departure:

- (1) Scope limitation: inability to collect sufficient appropriate evidence, such as when management or some set of circumstances prevents the auditor from conducting an audit procedure that the auditor considers necessary.

- (2) Departure from GAAP: when the financial statements are prepared or presented in a manner that conflicts with GAAP, whether due to error or fraud.
- (3) Lack of independence of the auditor: when the auditor and the entity have any financial, business, or personal relationship prohibited by professional standards.

2. Other Types of financial statement audit

- (1) **Qualified:** the auditor qualifies his or her opinion when either a scope limitation or a specific departure from GAAP exists, but overall the financial statements are presented fairly in conformity with GAAP.

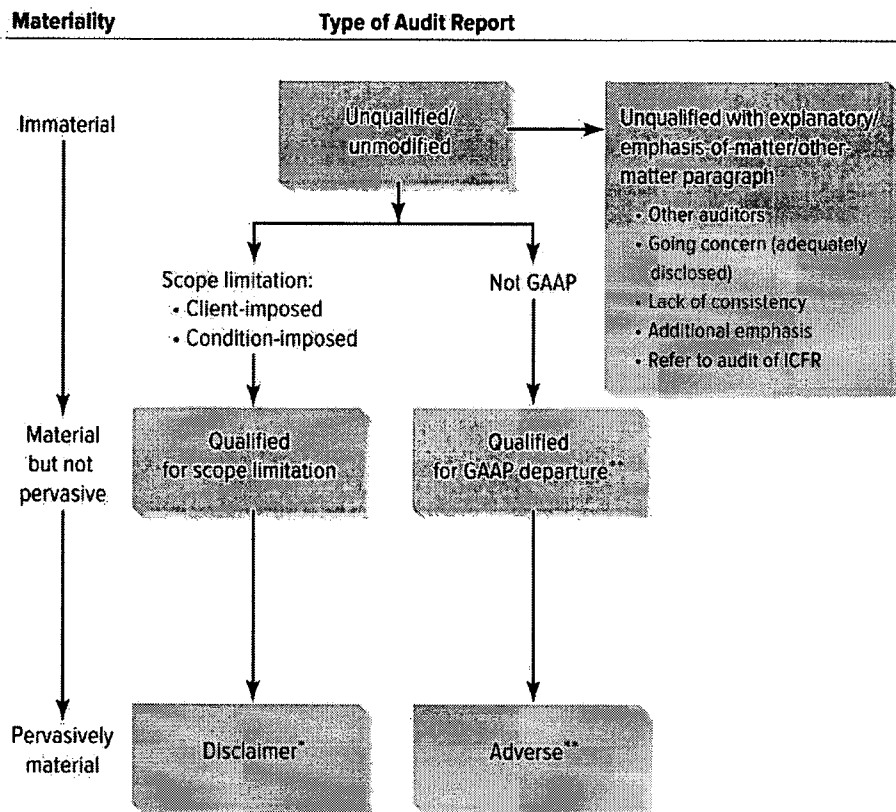
If to qualify a report for a scope limitation, then FS presented fairly **EXCEPT** possible effects of the limitation

If for a GAAP departure, then FS presented fairly **EXCEPT for** the effects of the departure.

- (2) **Adverse:** when the financial statements are not presented fairly due to GAAP departure that materially and pervasively affects the financial statements overall. The auditor will explain the nature and size of the misstatement and states the opinion that the FS are not presented fairly in accordance with GAAP.
- (3) **Disclaimer:** the auditor disclaims an opinion on the financial statements either because there is insufficient appropriate evidence to form an opinion on the overall FS due to a material and pervasive scope limitation or because the auditor is not independent. Auditor explains the reason for withholding an opinion and explicitly indicates that no opinion is expressed.

FIGURE 18-1

An Overview of Financial Statement Audit Reporting



*An auditor will also issue a disclaimer for a lack of independence.

**If an auditor has substantial doubt about an entity's ability to continue as a going concern and the entity's related disclosures are inadequate, the auditor will issue a qualified or adverse opinion. In extreme cases, the auditor may conclude that the entity's use of a going-concern basis of accounting is inappropriate and will issue an adverse opinion.

IV. Discussion of Conditions Requiring Other types of Financial Statements Audit Reports.

1. **Scope limitation:** results from an inability to obtain sufficient appropriate evidence about some component of the financial statements. This occurs when the auditor is unable to apply one or more necessary audit procedures either because the client imposes a limitation on the scope of the audit or because the scope is limited due to other circumstances.

Audit standards suggest that when restriction imposed by the client significantly limit the scope of the engagement, the auditor should be **particularly cautious**, and the auditor should consider disclaiming an opinion on the financial statements.

Example:

Scope of limitation beyond Client's control: the auditor may be able to overcome the scope limitation by acquiring sufficient, appropriate evidence about the area in question through alternative procedures. If the auditor is able to do so, **a standard unqualified audit report can be issued.**

Example:

2. Statements Not in Conformity with GAAP

If the financial statements are materially affected by a departure from GAAP, the auditor should express a qualified or adverse opinion, depending on the pervasiveness of the misstatement. Such as, unacceptable use of an accounting principle, inadequate disclosure, or an unjustified change in accounting principle.

Qualified Opinion: the auditor discloses, in a separate paragraph immediately following the opinion paragraph, the substantive reasons that led to the conclusion that there has been a departure from GAAP. The disclosure also includes principal effects on the departure from GAAP on financial position, results of operations, and cash flows. Using qualifying words "except for" and references the paragraph that describes the substantive reasons for the qualified opinion.

Adverse Opinion: When the departure's effect is pervasive the opinion paragraph is modified to state that the financial statements are not fairly presented in conformity with GAAP. The auditor discloses both the substantive reasons for the adverse opinion and the principal effects of the pervasively material departure from GAAP in a separate paragraph immediately following the opinion paragraph of the report.

In practice, both qualified and adverse opinions are quite rare because most clients are willing to make the financial statement adjustments needed in order to obtain a clean opinion. **For public companies, the SEC does not accept qualified or adverse opinions in filings from registrants.**

3. Auditor Not Independent

If the auditor finds that he or she is not independent, the auditor must withdraw from the engagement or a disclaimer of opinion must be issued. The auditor should clearly state the lack of independence but under PCAOB standards, should NOT state the reasons for the lack of independence.

V. Special Reporting Issues

Three topics are covered in the remainder of this section of the chapter:

1. Reports on comparative financial statements

(1) Different reports on comparative financial statements.

Auditor to express different opinions on individual years' financial statements within the set of comparative financial statements. The auditor would issue a qualified opinion for a departure from GAAP but would clarify that the departure only affects the current year's financial statements.

(2) A change in report on the prior-period financial statements

The auditor may encounter circumstances or events that require that she or he update the report that was issued on the prior-period financial statements.

(3) Report by a predecessor auditor

The predecessor auditor must determine if the previously issued reports are still appropriate, given the current circumstances. The predecessor auditor should do the following before reissuing the report:

- a. Read the financial statements of the current period.
- b. Compare the prior-period financial statements on which the predecessor previously reported with the current-year financial statements on which the successor will report.
- c. Obtain letters of representations from management of the entity and from the current-year financial statements, successor auditor.

2. Other information in documents containing audited financial statements.

The auditor is required to read the other information and consider whether such information is consistent with the information contained in the audited financial statements. AS provide guidance for the auditor's consideration of other information contained in (1) annual reports of entities and (2) other documents to which auditor devotes attention to at the entity's request.

3. Special reports relating to Financial Statements.

AS provide the auditor with specific guidance for, among others, the following special reporting situations:

(1) Financial Statements prepared on a comprehensive basis of accounting other than GAAP.

- a. Financial Statements prepared according to Other Comprehensive Bases of Accounting(OCBOA).

For public companies, the following OCBOA may be used under certain circumstances:

Regulatory Basis: A basis used to comply with the requirements of financial reporting provisions of a governmental regulatory agency. Such as, when a

insurance company reports in compliance with the rules of a state insurance commission.

- b. Tax basis: The basis the entity uses to file its income tax return.
- c. Cash basis: cash basis instead of accrual basis.
- d. Other basis: a definite set of criteria having substantial support that is applied to all material items appearing in the financial statements, such as the price-level basis of accounting.

(2) Specified elements, accounts, or items of a financial statement.

An auditor may be engaged to report on only specific parts of the financial statements, the basis of accounting for the elements, accounts, or items may be GAAP or another acceptable basis of accounting. The procedures applied in an audit of an element, account, or item are more extensive than if the same information were considered as part of an audit of the overall financial statements.

Materiality needs to be set in relation to the individual element, account, or item and the auditor should consider how the item relates to other parts of the financial statements.

(3) Compliance with aspects of contractual agreements or regulatory requirements related to audited financial statements.

Assurance services related to an entity's compliance with certain contractual agreements or regulatory requirements that are related to audited financial statements. Such as, loan agreements may include covenants such as restrictions on dividends or maintenance of certain levels for selected financial ratios.

VI. First significant change to the auditor's report in more than 70 years.

PCAOB reporting standards implemented several key audit report enhancements that are reflected in the audit report:

- (1) The opinion section of the report is now presented first, followed by a basis for opinion section, which explains the rationale for the opinion.
- (2) The respective responsibilities of management and the auditor are more clearly described.
- (3) The requirement that the auditor be independent of the entity is explicitly stated.
- (4) The key features of an audit are more clearly laid out, including the fact that amounts and disclosures are examined "on a test basis" and that "the accounting principles used and significant estimates made by management" are evaluated by the auditor.
- (5) Critical audit matters that involve especially challenging, subjective, or complex auditor judgment are explicitly disclosed and described in a separate section of the report.

Jenkins, Trecia

From: Bud Fennema <Fennema@fsu.edu>
Sent: Thursday, July 31, 2025 3:41 PM
To: Jenkins, Trecia
Subject: RE: Course Review

[NOTICE] This message comes from a system outside of DBPR. Please exercise caution when clicking on links and/or providing sensitive information. If you have concerns, please contact your Knowledge Champion or the DBPR Helpdesk.

Hello Trecia. Audit is not really my area but it would seem like a graduate level course would have a prerequisite for any audit or fraud classes. Also, it looks like the courses are only 7 or 8 weeks and I'd wonder how much is covered (chapters aren't given). I'd say no, but again this isn't my area.

Bud Fennema | Arthur Andersen Professor of Accounting | Florida State University |
Rovetta Business Room 526 | 821 Academic Way | P.O. Box 3061110 | Tallahassee, FL 32306-1110 |
850.644.8231 voice | fennema@fsu.edu

FSU | BUSINESS

From: Jenkins, Trecia <Trecia.Jenkins@myfloridalicense.com>
Sent: Wednesday, July 30, 2025 2:24 PM
To: Bud Fennema <Fennema@fsu.edu>
Subject: Course Review
Importance: High

Dr. Fennema:

Please review the attached syllabus for MBA 710 Accounting Fraud Detection thru Data Analytics & MBA 715 Auditing Theory and advise if they will qualify as graduate level.

Thanks.

Trecia



Trecia Jenkins
Regulatory Consultant

Florida Department of Business & Professional Regulation

Office: (352) 333-2505
Trecia.Jenkins@MyFloridaLicense.com



August 7, 2025

**Department of Business &
Professional Regulation
Board of Accountancy**
2601 Blair Stone Road
Tallahassee, FL 32399-0783

RE: FL State Board of Accountancy
Application Number: 587086, Profession: 0101

Dear Sir/Madam,

Please find enclosed the following documents in response to the deficiency outlined in the letter from the Florida Department of Business & Professional Regulation dated August 1, 2025:

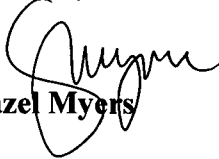
1. A copy of the deficiency letter from the Florida Department of Business & Professional Regulation.
2. Documentation for MBA 710: Fraud Detection Through Data Analytics, including an email from the professor, Dr. Xiang Gao, the course description, detailed syllabus, weekly topics covered, and relevant discussions from the course.
3. Documentation for MBA 715: Auditing for Accountants, including an email from the professor, Dr. Qifeng Wu, the course description, detailed syllabus, weekly topics covered, and relevant discussions from the course.
4. Supporting documents confirming that both courses are part of an AACSB-accredited MBA program with a concentration in accounting, including the university curriculum and program catalog.
5. A copy of my transcript from Louisiana State University Shreveport, showing completion of MBA 710 and MBA 715 during Spring 2025 (previously submitted to DBPR).
6. A copy of my transcript from Strayer University, showing completion of ACC 555: Individual Tax Research/Planning and LEG 565: Commercial Law during Fall 2024 (previously submitted to DBPR).
7. Copies of my transcripts from the University of Mindanao (Davao, Philippines) for both undergraduate (Bachelor of Science in Accountancy) and graduate (MBA) degrees (previously submitted to DBPR).
8. A Report of Educational Credential Evaluation from Josef Silny & Associates, Inc. (previously submitted to DBPR).
9. A copy of my resume.
10. A letter of recommendation from John Myers, PA, CPA.

11. Based on my research and a review of the undergraduate accounting curricula at the University of Florida and LSUS, the course description and academic rigor of the MBA-level courses I completed in Auditing and Fraud are substantially different from both undergraduate courses. I respectfully submit that these graduate-level courses should be considered as fulfilling the relevant subject area requirements.

I respectfully request that the Education Advisory Committee review the enclosed materials and consider my eligibility to sit for the CPA exam.

Thank you very much for your time and consideration.

Sincerely,



Jazel Myers

Melanie S. Griffin, Secretary

Ron DeSantis, Governor

October 29, 2025

Aaron Mead
Purdue Global University
Student Success Manager/School of Business
2550 Northwestern Avenue, Suite 1100
West Lafayette, IN 47906

RE: Course Review

Dear Aaron Mead:

The Educational Advisory Committee will consider your request for course review at the following date, time, and place:

DATE AND TIME: November 19, 2025, at 9:00 a.m. EST
Or as soon thereafter as can be heard

PLACE: Telephone Conference Call
Conference Number: 888-585-9008
Conference Room Number: 624-410-563

This is an open meeting, and you are welcome to attend.

If you have any questions, please call the number above.



Course Syllabus

AC566 Tax Research and Intro to International Taxation

COURSE INFORMATION

Course Title:	Tax Research and Intro to International Taxation
Credit Hours:	4
Prerequisites:	None

COURSE DESCRIPTION

In this course, you will learn about the various sources of federal tax law, including the statutory, administrative, and judicial sources. You will review research strategies for locating and evaluating tax authorities for various tax situations. In addition, you will learn to effectively communicate tax research to clients and the IRS. Further, you will evaluate various tax planning strategies for individuals and businesses and learn how to communicate your findings appropriately. Finally, you will examine the international taxation concepts of income sourcing and deduction allocation and their impact on calculating U.S. tax due.

LEARNING OUTCOMES

By the end of this course, you should be able to:

- AC566-1:** Evaluate various sources of federal tax law.
- AC566-2:** Apply a systematic tax research process to solve taxpayer issues.
- AC566-3:** Prepare a tax research memo that effectively communicates the facts, issues analyzed, and conclusions drawn.
- AC566-4:** Examine the framework for international taxation, including the application of income sourcing rules.
- AC566-5:** Examine federal tax processes, procedures, and rules of practice.
- PC-6.2:** Communicate the critical thinking process by which one arrives at a conclusion.

COURSE MATERIALS

Access Instructor Contact Information

For courses with ebooks or digital books, click on the Digital Book module in the Table of Contents.

If your course has materials that need to be purchased and you have not done so already, please order the necessary materials.

TEXTBOOK INFORMATION

MediaType: Physical
Title: Federal Tax Research
Edition: 13th (2024)
Author: Roby Sawyers; Steven Gill
Publisher: Cengage Learning
Book ISBN: 9780357988411
Ebook ISBN:

SOFTWARE REQUIREMENTS

The following software requirements are required in this course beyond the ones listed in the catalog:

No additional technology requirements beyond those in the Purdue Global Catalog.

GRADING CRITERIA/COURSE EVALUATION

Gradebook	Unit 1	Unit 2	Unit 3	Unit 4	Unit 5	Unit 6	Unit 7	Unit 8	Unit 9	Unit 10	Total
Discussion	40			40			40		40		160
Assignments	60	60	60		60	115	60	60	60	60	595
Seminar	15			15				15			45
Midterm			100								100
Final										100	100
Total	115	60	160	55	60	115	100	75	100	160	1000

SPECIFIC PROGRAM/COURSE REQUIREMENTS

Specific Program/Course Requirements will be outlined in your course content.

PURDUE UNIVERSITY GLOBAL GRADING SCALE

Grade	Points	Percent	Grade Point
A	900-1000	90-100%	4.0
B	800-899	80-89.99%	3.0
C	700-799	70-79.99%	2.0
F	0-699	Below 70%	0.0

INSTRUCTOR'S GRADING CRITERIA/TIMETABLE

Grades for each unit will be posted by the Monday of the following unit. If that Monday is an observed holiday, grades will be posted by the first business day following the observed holiday. Late work will be graded within 6 days of the submission date unless that falls on an observed holiday, in which case late work will be graded by the first business day following the observed holiday.

POLICIES

Students who wish to review current policies (academic appeals, attendance/tardiness, etc.) should refer to the [Policy Information](#) in the current Purdue University Global's Catalog.

Purdue University Global's Artificial Intelligence (AI) Policy and Resources can be found on the [PG Center for Teaching and Learning's website](#). Students are encouraged to review the posted policy and refer to course materials for detailed guidance on AI use within each individual course.

As a student, you work hard to earn your degree. Protect the integrity of your work. Do not share your assignments, papers, quizzes, tests, etc. with other students. Do not directly or indirectly share your work by posting it to a third party website. Do not make use of another student's work in any academic activity. Unless specifically instructed to work in groups, do not collaborate with your classmates on assignments or tests. These actions violate the Purdue

University Global Code of Student Conduct policy and, as a result, carry consequences. In some cases, students who are found in violation of these policies are dismissed from the University. You can also review the Writing with Integrity document located in Academic Tools in your course.

If you have questions about these policies, please review these policies in the catalog and contact your instructor.

ACADEMIC ACCOMMODATIONS - If there are any academic accommodations you feel would be helpful to you in your classes, please do not hesitate to reach out to Student Accessibility Services (SAS) for assistance.

NOTE: The contact information below is to request academic accommodations only and should not be used to contact your instructor. You can contact your instructor through the Brightspace classroom.

Tel: 317-208-1686

Fax: 866-422-4773 (Toll Free)

TTY: TTY users may dial 711 from their TTY phone, at no charge, to be connected with a Telecommunications Relay Services (TRS) operator who will assist with the call.

Accommodations cannot be granted retroactively and you are required to submit supporting documentation needed to process the request.

COURSE SPECIFIC POLICIES

Not Applicable

LATE POLICY

You are expected to submit all assignments and projects by the end of the unit.

Students may turn in late work up to two weeks after the assignment due date. After that time, a zero will be assigned for each assignment. Ten percent of the assignment value will be deducted after the assignment is graded for each week that an assignment is late. For example, suppose your assignment worth 100 points is due on Tuesday and you submit it on Wednesday.

In that case, 10 points will be deducted after it is graded. If you submit it two weeks late, there will be a reduction of 20% from the original assignment value after the assignment is graded.

All late work must be submitted by Sunday of the last unit. No late work will be accepted after this without an Incomplete Grade approval.

Certain course activities may not be eligible for late submission. These include, but are not limited to discussions, seminars, quizzes, labs, exams, and clinical activities.

Extenuating circumstances can interfere with timely submission of your work. Be sure to communicate with your professor and your Student Advisor immediately if you will be late with a submission.

Your professor will determine whether an exception to the Purdue Global Late Policy is appropriate. Your professor may also require you to provide documentation of the reason. Suppose your professor determines that an extension is warranted. In that case, your professor will provide you with the expectations for your submission or assignment in writing.

Extenuating circumstances include, but are not limited to, personal/family member hospitalization, family member death, a severe weather event, a natural disaster, and an active military assignment that prevents internet connectivity. Computer-related issues, Internet connectivity, and account blocks are generally not considered extenuating circumstances.

TUTORING

Tutoring and many other resources are available in the Academic Success Center section of the **My Studies** tab on the **Purdue Global Campus home page**. You can also find a link in the Academic Tools within your course.

The Academic Success Center offers:

- Writing help and APA resources
- Math help and resources
- Business help and resources
- Science help and resources
- Information technology help, webinars, and resources.

ASSIGNMENTS

The course content is outlined within each unit, and a calendar is accessible in each course.

A description of all Assignments to be completed can be found under each of the course units.

Assignments/Projects are due Tuesday 11:59 p.m. EST of their assigned unit.

Unless otherwise stated, all written work, including citations, must be completed in accordance with the current edition of the Publication Manual of the American Psychological Association (APA style).

Honor Code – Graduate School of Business and Information Technology

Before completing and submitting assignments, all students should be familiar with and adhere to the [honor code](#).

SEMINARS

Seminars provide you with an opportunity to converse with your instructor and peers, and to resolve questions about the course. Your instructor will provide specific guidelines to save you valuable time and effort and support your course success. You must either attend the live Seminar or complete the alternative assignment to earn points. Seminar Rubrics are located in the Grading Rubrics section of Course Resources.

Seminar topics and pre-work, if applicable, can be found in Course Resources.

Option 1- Attend Seminar:

Throughout your program, you will be asked to attend various Seminars. Seminars take place at designated times in specific units. Your instructor will give details about the Seminar during the first week of the course. Please review your Course Announcements and emails.

Suppose you are unable to attend the Seminar. In that case, you must review the archived recording and complete the alternative assignment by the unit's end.

Option 2- Alternative Assignment: Reflective Assignment

While listening to this week's archived Seminar, complete a reflective document. You may write the assignment in a bulleted list format OR paragraph format. APA style is not required.

Please include:

- The main topics discussed
- Sub-topics and/or subsequent classroom discussion
- Points you found of interest
- Any additional reflections or suggestions.

DISCUSSION BOARDS

A description of all discussion topics can be found under each of the units in the course.

Discussion Participation:

Each week, students must post messages to their colleagues and the instructor responding to discussion topics and research field trips. Discussion Board participation will be graded based on both level of activity and quality of interaction. Your active and thoughtful participation will weigh heaviest in the determination of your participation grade.

- Post a minimum of three posts per discussion topic - one initial response and two replies to your classmates.
- Posting on a minimum of three different days, for example, Wednesday, Friday, and Monday.
- Provide an initial post that responds to the discussion topic question(s) by Saturday at 11:59 p.m. ET.

Theory into practice discussions, distinguished video and discussions, and web field trip discussions will be evaluated using the Discussion Board Grading Rubric.

RUBRICS

A rubric is a tool used by your instructor to determine your performance on assessments (assignments, discussions, Seminars, etc.) throughout your course. The rubric lists the criteria for the assessment on which you will be graded. You should follow the rubric, so you understand what is expected of you in each assignment. Following the rubric will help ensure you do not lose points unnecessarily on any graded item.

Assignments: Rubrics for all assignments and projects can be found in the unit in which the assignment is presented.

Seminars: Each response will be graded individually and posted to the Gradebook using the Grading Rubrics found under Course Resources.

Discussion Boards: A discussion grade will be posted to the Gradebook for each unit. Discussion board rubrics are available within the unit in which the discussion board is presented.

NETIQUETTE

Interactions in an online classroom can be in written form as well as in audio or video. Your comfort level with expressing ideas and feelings in writing will add to your success in an online course. The ability to write is necessary, but you also need to understand what is considered appropriate when communicating online.

The word "netiquette" is short for "Internet etiquette." Rules of netiquette have grown organically with the growth of the Internet to help users act responsibly when they access or transmit information online. As a student, you should be aware of the common rules of netiquette for the web and employ a communication style that follows these guidelines.

- Wait to respond to a message that upsets you and be careful of what you say and how you say it.
- Be considerate. Rude or threatening language, inflammatory assertions (often referred to as "flaming"), personal attacks, and other inappropriate communication will not be tolerated.

- Never post a message that is in all capital letters — it comes across to the reader as SHOUTING! Use boldface and italics sparingly, as they can denote sarcasm.
- Keep messages short and to the point.
- Always practice good grammar, punctuation, and composition. This shows that you have taken the time to craft your response and that you respect your classmates' work.
- Keep in mind that Discussion Boards are meant to be constructive exchanges, and it is important to respect those views that are different from yours.
- Be respectful and treat everyone as you would want to be treated yourself.
- Use spell check before sending a written message

Using a webcam in an online meeting room requires thought and consideration for the netiquette environment. Keep your surroundings free of clutter and distraction. Do not allow others in your setting to enter the webcam view. Be sure your attire and background are appropriate for a classroom setting. If in doubt, turn off your camera. When using a microphone be mindful of your mute button - stay on mute until it is an appropriate time to speak - then enable your mute button again when you have finished sharing. Also, be mindful of how you reply to differing opinions or course content that you may not agree with. Feel free to express your views and ask questions in a calm and respectful way.

You should also review and refer to the section on Responsible Use of University Technology contained in the most recent Purdue Global Catalog.

OTHER POLICIES

Not applicable

Note: This syllabus is subject to change during this term/session or in future terms/sessions. This syllabus was published for course content as of 2502C.

The 2024 Florida Statutes (including 2025 Special Session C)

[Title XXXII](#)

[Chapter 473](#)

[View Entire Chapter](#)

REGULATION OF PROFESSIONS AND OCCUPATIONS PUBLIC ACCOUNTANCY

473.306 Examinations.—

- (1) A person desiring to be licensed as a Florida certified public accountant shall apply to the department to take the licensure examination.
- (2) A person applying to the department to take the licensure examination must create and maintain an online account with the department and provide an e-mail address to function as the primary means of contact for all communication to the applicant from the department. Each applicant is responsible for maintaining accurate contact information on file with the department and must submit any change in the applicant's e-mail address or home address within 30 days after the change. All changes must be submitted through the department's online system.
- (3) An applicant is entitled to take the licensure examination to practice in this state as a certified public accountant if:
 - (a) The applicant has completed 120 semester hours or 180 quarter hours from an accredited college or university with a concentration in accounting and business courses as specified by the board by rule; and
 - (b) The applicant shows that she or he has good moral character. For purposes of this paragraph, the term "good moral character" has the same meaning as provided in s. [473.308\(7\)\(a\)](#). The board may refuse to allow an applicant to take the licensure examination for failure to satisfy this requirement if:
 1. The board finds a reasonable relationship between the lack of good moral character of the applicant and the professional responsibilities of a certified public accountant; and
 2. The finding by the board of lack of good moral character is supported by competent substantial evidence.

If an applicant is found pursuant to this paragraph to be unqualified to take the licensure examination because of a lack of good moral character, the board shall furnish to the applicant a statement containing the findings of the board, a complete record of the evidence upon which the determination was based, and a notice of the rights of the applicant to a rehearing and appeal.

- (4) The board shall have the authority to establish the standards for determining and shall determine:
 - (a) What constitutes a passing grade for each subject or part of the licensure examination;
 - (b) Which educational institutions, in addition to the universities in the State University System of Florida, shall be deemed to be accredited colleges or universities;
 - (c) What courses and number of hours constitute a major in accounting; and
 - (d) What courses and number of hours constitute additional accounting courses acceptable under s. [473.308\(4\)](#).
- (5) The board may adopt an alternative licensure examination for persons who have been licensed to practice public accountancy or its equivalent in a foreign country so long as the International Qualifications Appraisal Board of the National Association of State Boards of Accountancy has ratified an agreement with that country for reciprocal licensure.
- (6) For the purposes of maintaining the proper educational qualifications for licensure under this chapter, the board may appoint an Educational Advisory Committee, which shall be composed of one member of the board, two persons in public practice who are licensed under this chapter, and four academicians on faculties of universities in this state.

History.—ss. 5, 25, ch. 79-202; ss. 2, 3, ch. 81-318; ss. 3, 10, 11, ch. 85-9; s. 2, ch. 87-221; s. 4, ch. 91-429; s. 125, ch. 94-119; s. 3, ch. 98-340; s. 9, ch. 2000-332; s. 1, ch. 2008-81; s. 1, ch. 2014-88; s. 10, ch. 2024-178.

61H1-27.001 College or University Requirements.

(1) An accredited college or university within the meaning of Section 473.306, F.S., is a four-year degree granting college or university in the State University System or other four-year degree granting educational institution accredited at the time applicant's degree was received by virtue of membership in one of the following accrediting agencies or for (a) through (f) its predecessor:

- (a) Middle States Commission on Higher Education (MSCHE);
- (b) New England Commission of Higher Education (NECHE);
- (c) Higher Learning Commission (HLC);
- (d) Northwest Commission on Colleges and Universities (NWCCU);
- (e) Southern Association of Colleges and Schools Commission on Colleges (SACSCOC);
- (f) WASC Senior College and University Commission (WSCUC);
- (g) Association to Advance Collegiate Schools of Business (AACSB);
- (h) European Quality Improvement System (EQUIS);

(i) Association of Independent Colleges and Schools. After August 2, 1992 the Association of Independent Colleges and Schools (AICS) will no longer be deemed an acceptable accrediting agency, unless the college or school accredited by the AICS is regulated by the Commission for Independent Education and exempted from licensure by the CIE under the provisions of Section 246.085, F.S.

(j) Canadian, Mexican, Irish, Australian, New Zealand, Scotland, South Africa, and Hong Kong academic accounting programs approved by the provincial education bodies or the equivalent educational accreditation body for that country.

(2) A listing of accredited colleges and universities as recognized by the Board is contained in the "Accredited Institutions of Post-secondary Education"; published by the American Council on Education for the Council on Post-secondary Accreditation as published for the time period the candidate attended the institutions. However, an applicant whose degree was received from a non-accredited college or university may qualify under the provisions of subsection (3).

(3) If an institution was not accredited at the time an applicant's degree was received but was so accredited at the time his application was filed with the Board, the institution will be deemed to be accredited for the purpose of subsections (1) and (2) provided it:

(a) Certifies that the applicant's total educational program would qualify him for graduation with a baccalaureate degree during the time the institution has been accredited, and

(b) Furnishes the Board satisfactory proof, including college catalogue course numbers and descriptions, that the preaccrediting courses used to qualify applicant as an accounting major can be matched with substantially equivalent postaccrediting courses.

(4) If an applicant's degree was received at an accredited college or university as defined in subsections 61H1-27.001(2) and (3), F.A.C., but the educational program used to qualify him as an accounting major included courses taken at either two-year or four-year nonaccredited institutions either before or after graduation, such courses will be deemed to have been taken at the accredited institution from which applicant's degree was received provided it either has accepted by virtue of inclusion in an official transcript, or will accept by certification to the Board, such courses for credit toward graduation.

(5) A graduate of a four-year degree granting institution not accredited at the time the applicant's degree was received or at the time of filing application will be deemed to be a graduate of a four-year accredited college or university course provided an accredited college or university as defined by subsections 61H1-27.001(1) and (2), F.A.C., accepts applicant's non-accredited baccalaureate degree and the applicant satisfactorily completes at least 15 semester or 22 quarter hours, or the equivalent, in graduate level courses at the accredited institution of which at least 9 semester or 13 quarter hours, including at least 3 semester or 4 quarter hours in taxation; or the equivalent, shall be in accounting. Elementary accounting subjects, or courses equivalent to elementary accounting, cannot be used to satisfy the requirements of this rule. Elementary accounting subjects include principles of financial and managerial accounting courses even if they are covered in a three-course sequence, are titled "introductory," "fundamentals," or "principles," and even if they are offered at the graduate level.

(6) Applicants relying on transcripts from a foreign institution shall provide at their own expense to the Board, a complete course by course evaluation of any foreign transcripts by an evaluation service as approved by the Board. The Board's list of approved evaluation services, effective April 2017, is incorporated herein and available at <http://www.flrules.org/Gateway/reference.asp?No=Ref-09611> or <http://www.myfloridalicense.com/dbpr/cpa/documents/BoardApprovedForeignEvaluationServices.pdf?x40199>.

Rulemaking Authority 473.304, 473.306 FS. Law Implemented 473.306 FS. History—New 12-4-79, Amended 2-3-81, 3-21-84, 10-28-85, Formerly 21A-27.01, Amended 4-8-86, 9-1-87, 8-25-88, 12-28-89, 3-29-90, Formerly 21A-27.001, Amended 1-11-95, 5-11-03, 3-21-05, 4-9-06, 8-13-06, 12-27-09, 2-6-12, 3-27-13, 8-7-13, 3-13-18, 7-29-18, 4-30-19, 4-23-20, 2-9-21, 6-2-21, 4-23-24.

61H1-27.002 Concentrations in Accounting and Business.

(1) For purposes of Section 473.306, F.S., if application for the Uniform CPA Examination was made prior to August 2, 1983, an applicant must have a baccalaureate degree from an accredited college or university with a major in accounting, or its equivalent, with a concentration in accounting and business subjects. A concentration in accounting and business is defined as an educational program that includes at least 18 semester hours or 27 quarter hours, or the equivalent, in accounting education above elementary (principles of) accounting and 27 semester or 40 quarter hours, or the equivalent, in general business education. In order to meet the provisions of Section 473.306, F.S., the application must have been filed, completed and approved and show on its face that all educational and other requirements were met prior to August 2, 1983.

(2) For purposes of Section 473.308, F.S., if application for licensure is made after August 1, 1983, an applicant must have at least 150 semester hours or 225 quarter hours of college education, including a baccalaureate degree or higher conferred by an accredited college or university with a major in accounting, or its equivalent. The applicant's total education program shall include a concentration in accounting and business as follows:

(a) 30 semester or 45 quarter hours in accounting education at the upper division level which shall include coverage of the following topics:

1. Auditing
2. Financial accounting
3. Taxation
4. Cost and managerial accounting or accounting data analytics.

Of these courses, the applicant must complete 3 semester hours or 4 quarter hours of financial accounting based upon United States Generally Accepted Accounting Principles (GAAP) and 3 semester hours or 4 quarter hours of taxation for accounting standards based upon United States federal and state laws. Not more than 3 semester or 4 quarter hours may be internship programs which may be applied to the 30 semester or 45 quarter hours in accounting (internship courses must be taken in conjunction with other traditional coursework at an institution and must appear on the transcript). Further, any remaining internship credit if otherwise acceptable would be applied to the general business requirement;

(b) 36 semester or 54 quarter hours in general business education which shall include not less than the equivalent of 3 semester or 4 quarter hours in business law courses based upon United States federal and state laws. Vocational and clerical type courses will not count either toward the accounting requirement set forth in subsection 61H1-27.002(2), F.A.C., or this general business education requirement. Specialized industry courses will be acceptable as general business courses but not as accounting courses unless as defined in subsection 61H1-27.002(2), F.A.C., and they have an accounting prefix, further such courses in order to qualify must be certified by the chairman of the school or college's accounting department as qualifying for general business credit. Written or oral communication courses will qualify for the general business requirement if they have a business or accounting prefix or if they are reflected in the catalog in the school or college as relating directly to the school or college's business or accounting requirements.

(3) To be eligible to take the licensure examination, an applicant shall have completed 120 semester or 180 quarter hours as follows:

(a) 24 semester or 36 quarter hours in accounting education at the upper division level which shall include coverage of the following topics:

1. Auditing
2. Financial accounting
3. Taxation
4. Cost and managerial accounting or accounting data analytics.

Of these courses, the applicant must complete 3 semester hours or 4 quarter hours of financial accounting based upon United States Generally Accepted Accounting Principles (GAAP) and 3 semester hours or 4 quarter hours of taxation for accounting standards based upon United States federal and state laws. Not more than 3 semester or 4 quarter hours may be internship programs which may be applied to the 24 semester or 36 quarter hours in accounting (internship courses must be taken in conjunction with other traditional coursework at an institution and must appear on the transcript). Further, any remaining internship credit if otherwise acceptable would be applied to the general business requirement;

(b) 24 semester or 36 quarter hours in general business education which shall include not less than the equivalent of 3 semester or 4 quarter hours in business law courses based upon United States federal and state laws. Vocational and clerical type courses will

not count either toward the accounting requirement set forth in subsection 61H1-27.002(2), F.A.C., or this general business education requirement. Specialized industry courses will be acceptable as general business courses but not as accounting courses unless as defined in subsection 61H1-27.002(2), F.A.C., and they have an accounting prefix; further such courses in order to qualify must be certified by the chairman of the school or college's accounting department as qualifying for general business credit. Written or oral communication courses will qualify for the general business requirement if they have a business or accounting prefix or if they are reflected in the catalog in the school or college as relating directly to the school or college's business or accounting requirements.

(4) For purposes of this rule, upper division accounting hours other than elementary above the minimum requirement may be substituted for general business hours. Elementary accounting subjects shall not be accepted as general business education. Elementary accounting subjects include principles of financial and managerial accounting courses even if they are covered in a three course sequence, are titled "introductory," "fundamentals" or "principles" and even if they are offered at the graduate level. All accounting courses and not less than 21 semester or 32 quarter hours of general business courses must be at the upper division level. For the purpose of paragraph 61H1-27.002(2)(b), F.A.C., all general business courses, including accounting courses in excess of the 36 hours required, must be taken at the upper division level, except for Introductory Macro and Micro Economics, Business Law, Introductory Statistics, Introduction to Computer Information Systems, and any written or oral communication course described in paragraph 61H1-27.002(2)(b), F.A.C. Lower level general business courses, other than those listed above, posted to transcripts after August 31, 1989 will not count. Standardized tests, such as CLEP, are not acceptable for accounting or general business courses; however, advanced placement (AP) courses will be counted if the applicant has been granted college credit for those AP courses by their degree-granting institution.

(a) Upper division, as used in Rule 61H1-27.002, F.A.C., means courses above the principal introductory level.

(b) If an applicant has taken a course at the lower division at a senior institution, and that institution has reclassified the course to the upper division at the time of application to Florida, the course will be deemed upper division for the purpose of Rule 61H1-27.002, F.A.C.

(5) Re-applicants whose original application for the CPA examination was approved prior to August 2, 1983, may elect to satisfy subsection 61H1-27.002(1), F.A.C.

(6) For purposes of subsection 61H1-27.002(2), F.A.C., and Section 473.306, F.S., a baccalaureate degree will not be considered as meeting the statutory requirement for a major in accounting or its equivalent unless all credit hours accepted by the college or university as part of the degree requirement are listed as courses in the catalogues of all institutions attended.

(7) If an applicant takes duplicate courses, only one of these courses will be counted. For purposes of this rule, all CPA Examination Review courses will be deemed to be duplicate courses.

(a) Courses will be considered duplicated if they cover a substantially equivalent professional area of knowledge even if separated by a span of time and even if some of the professional, technical and/or legal issues have been changed or modified.

(b) Regarding CPA Review courses, by definition these courses cover material already studied. Accordingly, no exception will be made to consider a CPA Review course non-duplicative, regardless of statements by applicants, professors, or academic administrators that additional topics are covered or the material covered only superficially in prior courses is covered in more detail in a "review" course.

(8) Individuals who are currently licensed in good standing, with at least five (5) years of work experience in the practice of public accountancy in the United States are exempt from the requirements in subsections 61H1-27.002(1)-(3), which are in excess of a baccalaureate degree or higher conferred by an accredited college or university with a major in accounting or its equivalent. All experience that is used as a basis for waiving the requirements in excess of a baccalaureate degree must be while licensed by another state or territory in the United States. This experience shall include providing any type of service or advice involving the use of accounting, attest, compilation, management advisory, financial advisory, tax, or consulting skills. This experience shall be verified by a licensed certified public accountant in good standing with a state or territory of the United States. Individuals performing the certification must be licensed and in good standing both during the applicant's work experience and at the time of verification.

(9) Individuals who are currently licensed in good standing, with at least five (5) years of work experience in the practice of public accountancy or its equivalent in countries approved by the International Qualifications Appraisal Board of the National Association of State Boards of Accountancy (IQAB) and whose educational degrees are from accredited institutions as set forth in subsection 61H1-27.001(1), F.A.C., shall be deemed to have met the requirements set forth in subsections 61H1-27.002(1)-(3), F.A.C. All experience that is used as a basis for waiving the requirements in subsections 61H1-27.002(1)-(3) must be while licensed

by another state or territory in the United States or while licensed in the practice of public accounting or its equivalent in a foreign country that the IQAB has determined has licensure standards that are substantially equivalent to the those in the United States. This experience shall include providing any type of service or advice involving the use of accounting, attest, compilation, management advisory, financial advisory, tax, or consulting skills. This experience shall be verified by a licensed certified public accountant in good standing with a state or territory of the United States or a chartered accountant in good standing recognized by the IQAB, both during the applicant's work experience and at the time of verification.

Rulemaking Authority 473.304, 473.306(3), 473.308(3) FS. Law Implemented 473.306(2), (3), 473.308(3), (8) FS. History—New 12-4-79, Amended 2-3-81, 8-1-83, 3-21-84, 6-10-84, 6-5-85, 10-28-85, Formerly 21A-27.02, Amended 5-22-88, 3-21-89, 5-20-91, 12-2-92, Formerly 21A-27.002, Amended 11-2-95, 11-3-97, 1-31-05, 5-24-07, 11-30-08, 12-21-09, 12-2-14, 7-11-16, 2-13-18, 7-29-18, 2-3-20, 1-12-21, 5-14-23, 10-26-23.