Adjunct Professor
Gregory A. Ramenofsky, CPA, MBA, CFA Level 1
gramenofsky@luc.edu
Maguire Office # n/a
1 East Pearson, Chicago, IL 60611
Office Hours: Tues 5-6pm & 9-10pm
Office Hours: also by appointment
Office Hours Location: In/Near room 110 (or TBD)

Fall 2014
ACCT 412-001 Special Topics in Accounting – Internal Audit
Tuesday Nights 6pm-9pm Maguire Hall Room 110

Catalog Description

➢ Course Description – This course will expose students to the fundamentals of internal auditing with an emphasis on internal controls. Topics covered will include an overview of internal auditing theory and internal audit in practice. After these overviews, an in depth review of internal controls will be examined, including internal controls best practices, risk assessment, control identification, audit design, testing of controls and audit reporting. This course will build upon a text book and cases published by the Institute of Internal Auditors (IIA). Finally, the class may include a hands-on internal audit engagement in a real life setting.

➢ Prerequisites – Student must have completed 9 hours of UG accounting or 6 hours of graduate accounting courses.

Course Overview

➢ Students will be able demonstrate a clear understanding of internal audit principles and how they are applied in real business examples.

➢ Students will understand the role internal auditors play at a company and how senior management works with this group to add value throughout the organization.
Course Objectives and Learning Outcomes

- Students should have a clear understanding of how internal controls are used throughout a company and how auditors help design, test and report on their effectiveness.
- Students should be able to evaluate through this course, if internal auditing is a potential career alternative for them upon graduation.

Required Materials – TEXT BOOK & SAKAI

- Title: Internal Auditing: Assurance & Advisory Services, Third Edition
- Authors: Kurt Redding, Lead Author, along with multiple other authors
- Publisher: The Institute of Internal Audits (IIA)
- Availability: LUC Bookstore or www.theiia.org (online bookstore – ask for student rates!!!)
- NOTE: Text is also available in an online copy from the Loyola Book Store

- Access to the Wall Street Journal (online or print edition)
- Access to other general business news sources
- “Too Big to Fail” (movie produced by HBO)
- All class materials will be made available on Sakai

Course Requirements and Grading Criteria

Available Points & Grading Scale:

<table>
<thead>
<tr>
<th>Available Points &amp; Grading Scale:</th>
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<tbody>
<tr>
<td>Home Work (HW)</td>
<td>8 x 5pts = 40 Points</td>
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<tr>
<td>Written Assignments (WA)</td>
<td>4 x 15pts = 60 Points</td>
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<tr>
<td>Final Exam</td>
<td>1 x 200pts = 200 Points</td>
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<tr>
<td>Total Available Points</td>
<td>300 Points</td>
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<table>
<thead>
<tr>
<th>Percent</th>
<th>Points</th>
<th>GPA</th>
</tr>
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<tbody>
<tr>
<td>A</td>
<td>93% -- 100%</td>
<td>279 -- 300</td>
</tr>
<tr>
<td>A-</td>
<td>90% -- 93%</td>
<td>270 -- 278</td>
</tr>
<tr>
<td>B+</td>
<td>87% -- 90%</td>
<td>261 -- 269</td>
</tr>
<tr>
<td>B</td>
<td>83% -- 87%</td>
<td>249 -- 260</td>
</tr>
<tr>
<td>B-</td>
<td>80% -- 83%</td>
<td>240 -- 248</td>
</tr>
<tr>
<td>C+</td>
<td>77% -- 80%</td>
<td>231 -- 239</td>
</tr>
<tr>
<td>C</td>
<td>73% -- 77%</td>
<td>219 -- 230</td>
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<tr>
<td>C-</td>
<td>70% -- 73%</td>
<td>210 -- 218</td>
</tr>
<tr>
<td>D+</td>
<td>67% -- 70%</td>
<td>201 -- 209</td>
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<td>60% -- 67%</td>
<td>180 -- 200</td>
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<tr>
<td>F</td>
<td>0% -- 60%</td>
<td>- -- 179</td>
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**Homework & Written Assignments**

All homework (HW) and written assignments (WA) are due at the beginning of class. Print two copies of items, one to be handed in at the beginning of class and the other to keep as a reference during classroom discussion. If items are conducted on a team, only one copy needs to be handed in at the beginning of class (with all team members listed), but each team member should have a separate copy for class discussion. Items must be typed. If you miss class, items must be emailed to the professor prior to the start of class time. It is up to the sole decision of the professor if late items will be accepted and what type of penalty will be assigned (including awarding zero points for late assignments). HW are listed below by week and WA will be posted to Sakai.

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**Quinlan School of Business Policies:**

**Attendance**

Attendance at all class meetings is expected and students will be required to sign attendance sheets each night. Students will also be expected to participate in discussions of readings and discussion questions. ANY material covered in class is fair game for inclusion in examinations. Never ask, "Did I miss anything important in class the other day?" Of course you did!

While the professor may not deduct points for poor attendance or poor class participation during lectures, the professor may grant up to a maximum of 5 additional bonus points for attendance and class lecture participation. Award of these points is subjective to the professor’s sole discretion.

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**Make-Up Examinations**

Loyola University academic policy provides that tests or examinations may be given as often as deemed advisable by the instructor. Because Quinlan faculty believe examinations represent a critical component of student learning, required examinations should be taken during the regularly scheduled class period. **Make-up examinations are discouraged.** Exceptions may be granted only by the faculty member or department chair, and only for unavoidable circumstances (illness verified by a signed physician’s note, participation in intercollegiate athletic events, subpoenas, jury duty, military service, bereavement, or religious observance). A make-up **FINAL examination** may be scheduled only with the permission of the appropriate Quinlan Assistant or Associate Dean.
**Academic Integrity**

All members of the Quinlan School shall refrain from academic dishonesty and misconduct in all forms, including plagiarism, cheating, misrepresentation, fabrication and falsehood. Plagiarism or cheating on the part of the student in individual or group academic work or in examination behavior will result minimally in the instructor assigning the grade of “F” for the assignment or examination. In addition, all instances of academic dishonesty must be reported to the chairperson of the department involved.

For further information about expectations for academic integrity and sanctions for violations, consult the complete Quinlan School of Business Honor Code and Statement of Academic Integrity on the Quinlan website:


**Professor’s Notes:**

I will take a strict zero tolerance approach to any sort violation of academic integrity. During exams, students are not allowed to assist other students or view each other’s exams. HW and WA should be of students own work. This includes developing students own answers and ideas. Students should not copy each other’s work or copy exact wording from the class text (even if asked for a definition … students should develop their own ideas).

Finally, students should never share any content of this class to students outside of this class. HW and WA answers, as well as exam content, should not be disclosed to students outside of our class, especially to any students who may take this class in the future.

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**Class by Class/Week by Week Course Outline**

<table>
<thead>
<tr>
<th>Week</th>
<th>Date</th>
<th>Reading</th>
<th>Lecture Topic</th>
<th>HW Due</th>
<th>WA Due</th>
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<tbody>
<tr>
<td>1</td>
<td>08.26.14</td>
<td>Chp.1 Intro</td>
<td>Introduction</td>
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<td>2</td>
<td>09.02.14</td>
<td>Chp.5 Process &amp; Risk</td>
<td>Process &amp; Risks</td>
<td>HW-1 Review Quest: Chp.5 # 5, 10, 14, 15</td>
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<tr>
<td>3</td>
<td>09.09.14</td>
<td>Chp.6 Internal Controls</td>
<td>Internal Controls</td>
<td>HW-2 Review Quest: Chp.6 # 10, 12, 13, 18</td>
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<td>4</td>
<td>09.16.14</td>
<td>Chp.8 Fraud</td>
<td>Fraud</td>
<td>HW-3 Review Quest: Chp.8 # 1, 3, 5, 11, 15</td>
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<td>5</td>
<td>09.23.14</td>
<td>Chp.12* IA Process Intro</td>
<td>LL* – Planning LL</td>
<td>HW-4 Review Quest: Chp.12 # 2, 5, 7, 15, 17</td>
<td>WA-1 Risk Matrix</td>
</tr>
<tr>
<td>Week</td>
<td>Date</td>
<td>Topic</td>
<td>Notes</td>
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</table>
| 6    | 09.30.14 | Chp.13* IA Detail              | LL* – Interview LL Management  
LL* – Finalize Risks  
LL* – Identify Controls  
HW-5  
Review Quest: Chp.13  
# 10, 16, 20, 21  
WA-2  
Probing Questions |
| 7    | 10.07.14 | Chp.10 Working Papers          | LL* – Finalize Scope  
LL* – Develop Test of Controls  
HW-6  
Review Quest: Chp.10  
# 1, 2, 7, 8, 12  
WA-3  
Test of Controls |
| 8    | 10.14.14 | Chp.15* Consulting             | LL* – Test of Controls on Site at LLC  
HW-7  
Review Quest: Chp.15  
# 3, 9, 14  
WA-4  
Final Report |
| 9    | 10.21.14 | Chp.14* Reporting              | LL* – Closing Meeting with LL Mgmt  
HW-8  
Review Quest: Chp.14  
# 2, 7, 8, 10, 13 |
| 10   | 10.28.14 | FINAL EXAM                     | Final Exam (multiple choice + short answer + sample internal audit)  
WA-5  
Final Report |

**NOTES:**  
* – Denotes Chapters in the Text related to “Conducing Internal Audit Engagements”  
LL* – Loyola Limited Internal Audit Project  
HW – Homework (HW) consists of the “Review Questions” at the end of each chapter  
WA – Written Assignments (WA) will be posted online Sakai

**Final Exam**

Will be held on the last class (10/28/14).

**Please note**

This class may occasionally deviate from the course outline above.  
The instructor reserves the right to make changes as needed to the course syllabus.