

NYU Stern School of Business
Auditing
Spring 2026

Professor: Amal Shehata, CPA (She, Her, Hers)

E-mail: ashehata@stern.nyu.edu

Professor Office Hours (my office KMC 10-90): (Most) Mondays from 3:45 - 5pm and Tuesdays from 1-2 pm and by appointment. If you plan to attend office hours with the professor, please reserve a time slot in advance [on this spreadsheet](#).

COURSE DESCRIPTION:

Welcome to your Auditing class! This course provides an understanding of the history and regulatory environment of the auditing profession, the philosophy of the auditing process, and the ethical implications of auditing decisions. Critical thinking and communication skills are developed through a variety of means including theory (through reading), current events and case analyses, qualitative and quantitative problem solving, regulatory interpretation and the use of data analytics technology tools. As with most worthwhile events and activities in life, this course is not easy. Most students will not find the topics overly difficult, but the workload is steady and fairly heavy. Please consider this course as a career investment rather than just another step towards graduation or GPA goals. With this perspective, you will be able to put learning first and foremost.

The course objectives for our class are (not in order of importance):

1. Use auditing concepts and variables (e.g. client acceptance, risk assessment, materiality, understanding and testing of internal controls, analytical procedures, substantive audit testing, documentation of evidence, and completing an audit engagement) to make audit planning, testing and evaluation decisions.
2. Analyze real-world examples as they relate to assurance concepts.
3. Understand and apply statistical sampling concepts to audit testing.
4. Work with a team to learn to access and interpret publicly-available financial data and SEC filings to assess risk for a public company.
5. Examine issues currently facing the profession (e.g., regulation, new standards, technological advancements, legal liability, independence, and more).
6. Examine characteristics of good professional judgment as well as common threats to good judgment.
7. Deliberate on the importance of professional skepticism and integrity for professionals and consider implications of ethical dilemmas that professionals commonly face.
8. And by default, help prepare for the Audit component of the CPA Exam, if applicable.

TEXT AND MATERIALS:

- *Auditing and Assurance Services, A Systematic Approach*, 12th edition (11th edition is also ok if it saves you money), McGraw-Hill. Messier, Glover, Prawitt, ISBN-13: 9781260687613. You can purchase the ebook or the hardcover and you do **NOT** need the Connect software.
- Course Materials: I will provide a coursepack with our class slides.

GRADES

Grade Components	Percent
Attendance	5%
Participation, Preparation and Professionalism (PPP)	8%
Auditing in the News Presentations	2%
Special Assignments	20%
5 Quizzes (equally weighted, lowest is dropped)	24%
Risk Assessment Team Project	16%
Final Exam	25%
Total	100%

Each component of the class is discussed in detail below:

CLASS ENVIRONMENT

Our class time will be most valuable when everyone comes prepared and ready to engage with the material and with each other. Our curriculum incorporates in-class team exercises, presentations, guest speakers and robust discussions; as a result, your success depends critically on your presence in class.

To minimize distractions and keep our class focused, the use of electronic devices is not permitted during class, with the exception of tablets that lay flat on the desk for note-taking. **Laptops are not permitted.** Students who do not have a tablet may print the lecture slides in advance or sign up ahead of time to receive a printed copy of the slides that I will bring to class. Please choose the option that works best for you.

I hope you will be an active participant in class. I will be prepared for class and make every effort to create a hospitable and inclusive environment where you feel comfortable expressing your ideas. By registering for this course, you are expected to come prepared, engaged, and ready to participate.

ATTENDANCE

Attendance is taken each class session. In my experience, regular attendance is strongly correlated with engagement and overall course performance. Your attendance score is based on actual class attendance. Two absences are automatically dropped for every student over the course of the semester to account for unforeseen personal or medical circumstances. Exceptions will be made only for conflicts due to religious observance, provided you notify me in advance in accordance with university policy.

Attendance records will be uploaded to Brightspace after each class session. If you notice an error in your attendance record, please notify me within 48 hours of the upload. Attendance credit is earned by being physically present in the classroom. **Any misrepresentation of attendance constitutes a violation of the Stern Honor Code.**

PARTICIPATION, PREPARATION AND PROFESSIONALISM (PPP):

Your participation score is based on both the quality of your participation and your professionalism in class. This includes contributing to class discussions, arriving on time, using only the permitted tablet devices that lay flat and only for class materials, and displaying your name tent. Participation and professionalism are evaluated throughout the semester and I will provide a check-in grade halfway through the term.

I reserve the right to adjust your final grade based on your level of professionalism in class.

AUDITING IN THE NEWS PRESENTATIONS

Throughout the semester, students will participate in a brief current events activity that connects our auditing coursework to real-world developments. Students will work in pairs to select a relevant current event related to our course topics and will briefly present it to the class on a designated date listed in Brightspace. Materials must be submitted to the Teaching Fellow in advance, and all students are expected to review the assigned item and give presenters their respectful attention.

This activity counts for 2% of the final course grade and is assessed based on timely submission of an appropriate source and a concise 2–3 minute in-class presentation that connects the item to course concepts. Additional instructions, examples, and logistics are provided on Brightspace.

SPECIAL ASSIGNMENTS

We will have several assignments throughout the semester that demonstrate the principles we are studying in-class, such as case studies, research assignments and interactive assignments on an external EY ARC platform.

Please note that the class discussion is an important component for all Special Assignments; thus, if you do not attend class on the date the cases are due, you will miss the opportunity to participate. **Late submissions cannot be accepted.** It is your responsibility to keep track of the due dates and the submission requirements.

QUIZZES

There will be five short quizzes throughout the course that cover class lectures and exercises. Your lowest quiz score will be automatically dropped when calculating your final grade.

Because of this policy, there will be no make-up quizzes, including illness, travel, or other personal conflicts. The dropped quiz is intended to accommodate unforeseen

circumstances. Exceptions will be made only for conflicts due to religious observance, provided you notify me in advance, in accordance with university policy.

Quizzes will be given promptly at the beginning of class and will last approximately 10 minutes. If you arrive late, you will not be given extra time to complete the quiz.

TEAM PROJECT

Audits are conducted in teams so we will simulate that experience. Students will be randomly placed into teams to perform a risk assessment of a public company; detailed instructions will be provided separately in Brightspace.

FINAL EXAM

There will be a final exam at the end of the semester. It will be semi-cumulative and I will provide a study guide that specifies the topics. Completing the assigned reading, participating in class exercises and completing end of chapter exercises from your textbook will best prepare you for the exam.

TEXTBOOK REVIEW QUESTIONS AND PROBLEMS

We will complete many textbook problems in class together. Additionally, each textbook chapter has multiple choice questions that allow you to test your knowledge. I strongly recommend you work all the multiple choice questions for each chapter. These are designed to help you further understand the textbook concepts you have read and perform well on the class exams. I know you are busy so although these practice questions will not be collected for grading, the expectation is that these will be completed prior to coming to class on the day indicated. This is for your benefit – completing the questions each week is a key element to being successful in this class. I will provide answers on Brightspace. You should compare your answers to the answer key, and make sure you understand any differences. I recommend answering the questions by yourself first, and then reading my answers. You will find yourself at a disadvantage on the exams if you do not take advantage of working through the suggested review questions, multiple choice questions and problems.

BRIGHTSPACE:

I will use our learning management system, Brightspace, extensively to email you, post lecture notes and case studies, relevant articles and other course material so please make sure you are correctly registered and checking our site on a regular basis.

ACADEMIC INTEGRITY

Our undergraduate [Academics Pillar](#) states that ***we take pride in our well-rounded education and approach our academics with honesty and integrity.*** Indeed, integrity is critical to all that we do here at NYU Stern. As members of our community, all students agree to abide by the NYU Stern Student Code of Conduct, which includes a commitment to:

- Exercise integrity in all aspects of one's academic work including, but not limited to, the preparation and completion of exams, papers and all other course requirements by not engaging in any method or means that provides an unfair advantage.

- Clearly acknowledge the work and efforts of others when submitting written work as one's own. Ideas, data, direct quotations (which should be designated with quotation marks), paraphrasing, creative expression, or any other incorporation of the work of others should be fully referenced.
- Refrain from behaving in ways that knowingly support, assist, or in any way attempt to enable another person to engage in any violation of the Code of Conduct. Our support also includes reporting any observed violations of this Code of Conduct or other School and University policies that are deemed to adversely affect the NYU Stern community.

The entire Stern Student Code of Conduct applies to all students enrolled in Stern courses and can be found here: www.stern.nyu.edu/uc/codeofconduct

To help ensure the integrity of our learning community, prose assignments you submit to Brightspace will be submitted to Turnitin. Turnitin will compare your submission to a database of prior submissions to Turnitin, current and archived Web pages, periodicals, journals, and publications. Additionally, your document will become part of the Turnitin database.

USE OF GenAI IN OUR CLASS

GenAI can be a powerful thought partner for some of our work but learning can only happen as a result of effort on your part. The use of genAI related tools is allowed in this class **in specific ways noted in the assignments**. Please consider these tools as an assistant to achieving our learning objectives.

I will do my best to be specific about when genAI is and is not permitted but please do your part by citing your work clearly when you use genAI. When in doubt, for every assignment, you should include a description of:

- Which tools and techniques you used (include your prompts, plugins used, etc.);
- Which parts of the assignment you used them for;
- What you think you learned from the work you did, and why you think that matches the goals of the assignment.

In any use of AI-generated material, you are responsible for its accuracy, and will be penalized for not catching errors the tool generates. You are also responsible for understanding the material in your assignments; I may ask you to elaborate on any work you hand in. As a reminder, taking credit for work you did not create is a violation of NYU's Academic Integrity policy.

GENERAL CONDUCT & BEHAVIOR

Students are also expected to maintain and abide by the highest standards of professional conduct and behavior. Please familiarize yourself with Stern's Policy in Regard to In-Class Behavior & Expectations

(<http://www.stern.nyu.edu/portal-partners/current-students/undergraduate/resources-policies/academic-policies/index.htm>) and the NYU Student Conduct Policy

(<https://www.nyu.edu/about/policies-guidelines-compliance/policies-and-guidelines/university-student-conduct-policy.html>).

STUDENT ACCESSIBILITY

If you will require academic accommodation of any kind during this course, you must notify me at the beginning of the course and provide a letter from the Moses Center for Student Accessibility (212-998-4980, mosescsa@nyu.edu) verifying your registration and outlining the accommodations they recommend. If you will need to take an exam at the Moses Center for Student Accessibility, you must submit a completed Exam Accommodations Form to them at least one week prior to the scheduled exam time to be guaranteed accommodation. For more information, visit the CSA website:

<https://www.nyu.edu/students/communities-and-groups/student-accessibility.html>

STUDENT WELLNESS

Classes can get stressful. I encourage you to reach out if you need help. The NYU Wellness Exchange offers mental health support. You can reach them 24/7 at 212 443 9999, or via the “NYU Wellness Exchange” app. There are also drop in hours and appointments. Find out more at <http://www.nyu.edu/students/health-and-wellness/counseling-services.html>

Please note: the dates and assignments listed on the following schedule are subject to change

	Date	Topic	Pre-Class Preparation (to be completed <u>before</u> class date)	Assignments
1	Wed, 1/21/26	Welcome! Overview: What is Auditing? Begin Chap 1		
2	Mon, 1/26/26	Chapter 1: Introduction to Auditing and the Demand for Auditing	Read Chapter 1 in Messier	

3	Wed, 1/28/26	Chap 2: Financial Statement Auditing Environment	I am flipping the class for this chapter. Read Chap 2 and watch my pre-recorded lecture before class. Our class time will be spent exploring the role of the PCAOB in more detail with our guest, Stephen Pocock.	Audit in the News: Topic: The PCAOB
4	Mon, 2/2/26	Chap 18: Reports on Audited Financial Statements	Read Chapter 18 in Messier	Audit in the News: Topic: Audit Opinions
5	Wed, 2/4/26	Quiz 1: Finish Chap 18 and begin Chap 19: Professional Conduct, Independence and Quality Control		Audit in the News: Topic: Auditor Independence
6	Mon, 2/9/26	Chapter 19		Audit in the News: Topic: Auditor Code of Conduct

7	Wed, 2/11/26	Quiz 2 Finish Chap 19 and begin Chap 3: Audit Planning, Types of Audit Tests, and Materiality		
8	TUES, 2/17/26 (no class on Mon, 2/16)	Continue Chapter 3 with ForvisMazars partner, Kathryn Byrne	Read Chapter 3 in Messier	
9	Wed, 2/18/26	Continue Chapter 3		Audit in the News: Topic: Open
10	Mon, 2/23/26	Debrief SEC and continue Chap 3		Special Assignment: SEC EDGAR Assignment, due 2/22/2026 by 11:59 pm
11	Wed 2/25/26	Finish Chap 3 and begin Chap 4: Risk Assessment	Read Chapter 4 in Messier	Audit in the News: Topic: Open
12	Mon, 3/2/26	Quiz 3 Chapter 4: Risk Assessment		Audit in the News: Topic: Open

13	Wed, 3/4/26	Finish Chap 4 and begin Chap 5: Evidence and Documentation		Audit in the News: Topic: Open
14	Mon, 3/9/26	Chapter 5	Read Chapter 5 in Messier	Audit in the News (double): Topic: Open
15	Wed, 3/11/26	Debrief EY assignment and finish Chapter 5		Special Assignment: EY ARC "Basics of Audit Inquiry", due 3/10/2026
16	Mon, 3/23/26	Chap 6: Internal Control in a Financial Statement Audit with BS/MS alum and PwC Senior Manager, Danixa Molina	Read Chapter 6 in Messier	Audit in the News Topic: Open
17	Wed, 3/25/26	Finish Chapter 6		Audit in the News (double): Topic: Open
18	Mon, 3/30/26	Quiz 4 Begin Chap 7: Auditing Internal Control over Financial Reporting	Read Chapter 7 in Messier	

19	Wed, 4/1/26	Finish Chapter 7		Audit in the News: Topic: Open
20	Mon, 4/6/26	Debrief EY assignment and Audit Movie!		EY ARC: "Heartland Guitars" due 4/5/2026
21	Wed, 4/8/26	A deeper look at Auditing with special guest, Frank Romeo		
22	Mon, 4/13/26	Chapter 8: Audit Sampling: An Overview & Application to Tests of Controls	Read Chapter 8 in Messier	Audit in the News: Topic: Open
23	Wed, 4/15/26	Chapter 9: Audit Sampling: An Application to Substantive Tests	Read Chapter 9 in Messier	Audit in the News: Topic: Open Risk Assessment Team Assignment AND Individual Team Evaluation due 4/18/2026 by 11:59 pm.
24	Mon, 4/20/26	Chapter 13: Inventory Cycle	Read Chapter 13 in Messier	Audit in the News: Topic: Open
25	Wed, 4/22/26	Begin Chapter 10: Revenue Cycle	Read Chapter 10 in Messier	Audit in the News: Topic: Open

26	Mon, 4/27/26	Debrief EY Inventory and finish Chapter 10		Audit in the News: Topic: Open Special Assignment: EY ARC "Inventory" A Virtual Audit Experience", due 4/26/2026
27	Wed, 4/29/26	Quiz 5 (Chap 13) Chapter 17: Completing the Audit Engagement	Read Chapter 17 in Messier	Audit in the News: Topic: Open
28	Mon, 5/4/26 Last class!	Finish Chap 17 and catch up.		Audit in the News (double): Topic: Open
	Mon, 5/11/26	Final Exam		