

Case 02: The Audit Trail

Setting it up, running it, and marking it

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What your students will do. Fifteen audit hours, one engagement, no way to earn more time. They set materiality from the prior-year memo, interview the shipping clerk about a control he operates, test whether that control is actually implemented, observe an inventory count, help a colleague who has gone sick at an inconvenient moment, recalculate a depreciation schedule, and then walk into the Corporate Controller's office and try to get an adjusting entry approved by someone who does not want to give it to them. At the end they fill in a timesheet.

What you have to do. Generate a class code, hand it out, and pull the grading stack afterwards. The platform marks the hundred points itself. Budget your own time for reading interview transcripts, which is where the difference between a good student and a lucky one actually shows.

Three things to settle before you assign it

Whether it is graded. Both modes work, but they are not the same assessment. Ungraded, the timesheet at the end is a discussion prompt. At ten percent of a course grade it is a graded ethical choice, and a student will eventually challenge how you scored it.

What your AI policy is, and say it in class. Two of the eight marked components are conversations with a language model. A student told "no AI on this course" who then meets Dave Miller will ask you what the rule is. Have an answer ready.

Whether anyone in the section has an extended-time accommodation. Nothing in the case is now charged against elapsed time, so extended time is free to grant, but read §5 before you promise it, because it was not always true.

1. Setting up your cohort

You need a class code before students can start. Codes are per section, and the grading stack is pulled by code, so use a separate one for each section you teach.

1. Email jason.rasso@uky.edu from your institutional address to have your faculty access verified. You will be given an administrative password.
2. Go to acechemicalscase.com/admin/setup and enter that password. It is a password field, not a token you paste from an email; if you were sent something that looks like a long random string, that is still what goes here.
3. Open the "Setup Cohort" tab.
4. Choose "Case 02: The Audit Trail (Full Cycle)" from the case dropdown. This matters — the dashboard uses it to decide which rubric to apply, and a cohort provisioned against the wrong case will not render a Case 02 breakdown.
5. Enter your name, institution, institutional email and expected number of students, then click "Provision New Class Tracker".

6. Save the six-character code it returns. Students cannot start without it and you cannot pull their work without it.

Students type their own name to identify themselves, and their figures are generated from that name together with the class code. A student who enters "Sam Whitfield" on Monday and "sam whitfield" on Tuesday gets the same engagement; one who enters "S. Whitfield" does not. Tell them to use the name you know them by on your roster, and to use it consistently.

2. Giving it to students

Send them to acechemicalscase.com, then Student Portal, then Case 02. They enter the class code and their name and begin. There is nothing to install and no account to create.

What to tell them beforehand

- The fifteen hours are a resource inside the case, not an estimate of how long it takes. Every action spends some — opening a standard, sending confirmations, asking the senior for a hint.
- Phases do not reopen. This is the constraint the whole case is built on, and students who expect to be able to go back and tidy up will be annoyed the first time they cannot.
- Their numbers will differ from their classmates'. That is deliberate, and comparing answers will mislead both of them. Comparing reasoning is fine and probably useful.
- Progress is saved at each completed phase, not continuously. Doing the case in one sitting is the safest approach; a student who closes the tab mid-phase loses that phase.

The in-case instructions tell students that running out of budget means "the engagement is blown". That is atmosphere rather than mechanics, see §5 for what actually happens.

3. What to put in your syllabus

Nothing in this case requires student consent to a third party, and the reason is worth being precise about rather than vague: the two conversations are with a language model, and the request carries the student's typed message and nothing else. No name, no class code, no email, no address — the call is made by the site's server, not the student's browser, so the vendor cannot attribute the words to a person. The identifiable record — their name, their full transcript — is stored encrypted on the platform and never leaves it.

Students still deserve to be told. Paste this, or something like it, into your syllabus or your assignment page:

Suggested disclosure

"Two parts of this case are conversations with an AI character. What you type in those conversations is sent to Google's Gemini API to generate the character's reply. No information identifying you is sent with it — not your name, your class code, or your email — and the request comes from the course platform's server rather than your device. Your full submission, including those transcripts, is stored encrypted on the platform and is visible to me for grading. It is kept for this term plus twelve months and then deleted. If you would rather not have your writing processed this way, tell me before you start and we will arrange an alternative."

The last sentence matters more than the rest of it. It costs you almost nothing — in practice almost nobody asks — and having said it in advance is a far better position than improvising when one student does. What the alternative looks like is your call; marking the two conversations from a written transcript the student produces by hand is usually enough.

4. Try it yourself first

Half an hour, and it is the single thing most likely to prevent a bad first cohort. Register a throwaway cohort from the Case Console the way you would a real one — give it a code nobody will guess, set the expected students to one — then play it yourself as a student. Use a name you will recognize later.

- You will see the figures your students see, because the generators key off the name and class code you type. Yours will not match theirs, which is the point. You will meet both language-model characters and learn what a good question to Dave looks like before a student asks you what one looks like. Your run appears in that cohort exactly as a student's would, so you can practice pulling the grading stack and reading the transcripts before it matters.

Delete the throwaway cohort afterwards, or leave it and ignore it — it will not mix with a real class. Do NOT rehearse inside the cohort you are going to assign: your run would sit in the roster next to your students' work and count toward what you see on the dashboard.

5. When a character misbehaves

Two components are marked by a language model, and models occasionally do something a written brief did not anticipate. Everything below is recoverable, and none of it requires you to change a grade blind — both conversations are stored in full in the submission.

What the student reports	What to do
Dave confessed without being asked properly	Read the transcript. The platform records whether the admission was extracted or guessed, and that distinction is what the five points turn on. If the transcript shows the model volunteered it, the student did not guess and should keep the marks.
Dave will not confess no matter what	Read the questions. He is written to answer a direct or yes-or-no question literally and to disclose only to an open-ended question about desk coverage. Nine times in ten the transcript shows the student never asked one. If it shows they did and he still refused, award the five.
The Controller rejected a correct argument	She is written to accept any wording that names the mechanism — salvage value not deducted before dividing by useful life. If the transcript names it and she refused, override; the entry itself is marked separately and will already show as correct.
The Controller accepted a vague argument	It happens, and it costs the student nothing they did not earn elsewhere. The transcript is there if you want to mark the exchange yourself.
The character did not respond at all	The case falls back to a scripted version of the same persona so the student is never blocked. The fallback is more literal and less forthcoming; a student who met it has had a harder interview, not an easier one.

6. Running the debrief

Fifty minutes, and the case is built to be debriefed rather than merely graded. Most of what is worth discussing is invisible in the scores.

Minutes	What to do
10	Materiality. Have three students say their performance materiality out loud. They will differ, because the figures are seeded. Then ask what each of them passed at the close-out and why — about one student in five had differences that were individually immaterial and collectively material, and they will disagree with each other. That disagreement is the lesson; do not resolve it too quickly.
15	The walkthrough. Ask who got Dave to admit the password sharing and what they asked. Then ask who concluded correctly WITHOUT getting him to say it, and put the two files side by side. A reviewer cannot tell a lucky guess from a finding, which is the whole of why inquiry has to be evidenced.
10	The AI workpaper. Ask who used the firm's AI on the colleague's task, and who checked its output before signing. The ones who checked found the error. The ones who did not mostly got away with it, which is the uncomfortable and accurate part.
10	The timesheet. Ask what they reported and why. Expect defensiveness; the case is designed so that under-reporting feels generous. Do not moralise — explain that next year's budget is set from this year's recorded time.
5	What they would do differently with the same fifteen hours.

If you are short of time, keep the first two. Materiality and the walkthrough carry the two ideas the case exists to teach, and both are the kind of thing students believe they understood until they hear a classmate say something different.

7. Marking

When the deadline passes, return to acechemicalscase.com/admin/setup, open the "Extract Logs" tab, enter your class code and click "Extract Class Data". "Print Grading Stack" saves the whole cohort as a PDF.

For each student you get:

- A hundred-point breakdown across eight components. Materiality and planning, AR confirmations, inventory observation, bank reconciliation, internal controls and the walkthrough, colleague support and diligence, substantive testing and the AJE, and professional standing and ethics. The full bands are in the companion document, The Audit Trail, Grading Rubric and FAQ.
- An ethics and time-reporting flag, raised when the timesheet does not match the hours actually used — in either direction. Under-reporting is eating time; over-reporting is ghosting it, and is the more serious of the two, because it bills a client for work that was never performed.

- Full transcripts of both interviews, Dave Miller on the shipping dock, Sarah Jenkins in the Controller's office.
- A record of how the two model-marked gates were decided, so a disputed outcome can be checked rather than argued about.

Read the walkthrough transcripts

Fifteen of the hundred points come from the walkthrough, and the platform can tell you whether the student extracted Dave's admission or merely guessed the right conclusion, but not how well they interviewed. The follow-up question, the moment a student stops asking yes-or-no questions and starts asking open ones, is visible only in the transcript. If you read nothing else, read these.

8. What changed in September 2026

If you ran this case before September 2026, four things are different and one of them changes marks.

- **The walkthrough is now actually scored.** It previously awarded every student fifteen out of fifteen regardless of what they did, including students who signed off that the control was secure. Expect a wider spread than you saw before.
- **The interviews now run.** Both characters were unreachable due to a routing fault and a retired model, so every student until now met a scripted fallback rather than the intended conversation. They are live.
- **Efficiency is scored on hours used, not hours reported.** The old scoring awarded full marks for reporting twelve hours or fewer, which paid students to under-report while the debrief screen told them under-reporting was unethical.
- **There is a new implementation-testing step.** After the interview, students compare a shipment authorization log against an independent badge log. Roughly three students in five see a transaction that breaches the badge window; the rest see one that genuinely conforms, and for them the correct answer is that the item is clean.

9. Honest limits and troubleshooting

Running out of budget does not end the engagement

The case tells students the engagement is "blown" if they run out of hours. Nothing enforces that. The budget simply goes negative and the student carries on. The real consequence is the efficiency band: over fifteen hours scores zero of five, so it costs five points out of a hundred. If you want the stated consequence to be real, say so in your own instructions, do not rely on the case to impose it.

The tick-and-tie exercise no longer charges real time

This changed in September 2026 and is worth knowing if you ran the case before then. When a student covers for the sick colleague, the exercise used to deduct one audit hour for every thirty seconds of wall-clock time, with no cap. That made an extended-time accommodation actively harmful: the extra time a student was entitled to converted directly into a worse budget position, and there was no lever you could pull.

It now costs a flat 1.0 hour for the work plus 0.25 hours for each pair the student selects wrongly, capped at 4.0. The pressure is on care rather than speed, which is what the exercise was meant to test. The stopwatch

is still on screen and still records elapsed time in the submission, because how long a tick-and-tie took is informative, but it is not charged and is not marked.

Practical consequence: extended time, a separate room, a screen reader and rest breaks can all be granted on this component without adjusting anything by hand. No part of the case is now scored against elapsed time. If you graded a cohort before September 2026 and made a manual budget adjustment for an accommodation, that adjustment is no longer needed.

Two components are marked by a language model

Dave's confession and the Controller's approval are judged by a model following a written brief, not by keyword matching. It returns a structured verdict and the platform records what it decided, so you can audit a disputed outcome, but it is a judgment, and two students who said nearly the same thing could in principle be judged differently. Read the transcript before overriding.

Answer data reaches the browser

The generators that build each student's figures run in the browser, so a student who opens developer tools can in principle read values they have not earned. Per-student seeding defeats answer-sharing between classmates, which is the common case; it does not defeat a determined individual inspecting their own session. Weight the case accordingly.

If a student says their work vanished

Progress is written to the server at each completed phase, so anything up to their last finished phase still exists and can be recovered. If their submission failed outright, the case offers them a file download of their own work, ask whether they have it before assuming the attempt is lost.

If the grading stack looks wrong for a student

Check that the cohort was provisioned against Case 02 rather than another case. The dashboard applies the Case 02 rubric only to Case 02 submissions, and a mismatch renders an empty or partial breakdown.

Support. Jason Rasso, University of Kentucky, jason.rasso@uky.edu. Technical faults and pedagogical questions both welcome; if a student disputes a mark, send the transcript with the question.