

**The University of Illinois at Chicago
College of Business Administration
Department of Accounting**

Accounting 535 – Advanced Auditing

Fall Semester 2006 – 4 Credit Hours

Prerequisite: Actg 435

Call # 22623 meets on Thursdays from 3:00 PM to 5:45 PM

Instructor: James Hansen

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Office Hours: M/W/Th 2:00-2:45 or by appointment

Statement of Learning Objectives: This course is designed to help students develop a knowledge set to excel in current auditing environment. Course time will be spent: 1) studying an internal control framework and identifying and evaluating internal controls; 2) searching out and examining press, practitioner, and academic publications that relate to the current issues in the auditing profession; and 3) applying our knowledge through cases and audit simulations. Additionally, students will understand how Sarbanes-Oxley is affecting auditing and the potential affects it will have on the auditing profession in the future. Students will gain a better understanding of academic research in auditing and how it can move the profession forward.

Tentative Schedule: The lectures and reading assignments are tentative. As this class is based on current events, the schedule will be subject to many changes throughout the semester. It is your responsibility to stay up with those changes. Updates will be made in class, sent through email, or posted on Blackboard.

Date	Class Lecture	Readings and Assignments
8/31	1) Introduction – Course Overview 2) Current Events 3) Review of Auditing Theory 4) Group Assignments	Reading: COSO - Fraudulent Financial Reporting: 1987-1997
9/7	1) Accounting Scandals 2) Current Acctg./Auditing Environment	Assignment: HW #1 Due
9/14	1) Current Acctg./Audit Environment A – Sarbanes Oxley B – PCAOB	Reading: PCAOB Auditing Standard #2 Assignment: HW #2 Due
9/21	1) PCAOB Auditing Standards – What does this mean for the profession?	Reading: COSO Framework Assignment: HW #3 Due
9/28	1) Internal Control – Alchemy Inc.	Assignment: HW #4 Due
10/5	Midterm Exam	
10/12	1) Audit Research Methodology 2) Exam Review	Assignment: HW #5 Due
10/19	Archival Audit Research	Assignment: HW #6 Due Reading: 1) Libby and Kinney (2000) 2) Tan and Jamal (2001)
10/26	1) What is wrong with us? Behavioral Auditing Research	Assignment: HW #7 Due
11/2	1) Independence/Ethics	
11/9	1) Managing Personal Life	Assignment: HW #8 Due
11/16	1) Corporate Governance 2) Audit Committees	Assignment: HW #9 Due
11/23	No Class – Thanksgiving Holiday	
11/30	1) Class Interest Topics 2) Course Catch Up	Assignment: HW #10 Due
12/7	1) Class Interest Topics 2) Research Presentations 3) Course Catch Up	Assignment: Research Projects Due
During Finals Week	Final Exam (Exam 2)	

Reading List – Most readings will be available on blackboard. Other readings are listed below.

1) COSO - Fraudulent Financial Reporting: 1987-1997:

http://www.coso.org/publications/FFR_1987_1997.PDF

2) AS2

http://www.pcaob.org/Rules/Rules_of_the_Board/Auditing_Standard_2.pdf

Course requirements and Grading criteria:

Exam 1	75 points
Exam 2	75 points
Research/Case Project	100 points
Homework	120 points
<u>Participation</u>	<u>130 points</u>
Total	500 points

A = Good 90% of course points

B = Above Average 80% of course points

C = Average 70% of course points

D = Below Average 60% of course points

In = Incomplete assigned only under conditions specified in the University catalog.

Exams – Exams will be based on readings, lectures, and homework assigned and make up 30% of your overall grade. The exams are cumulative. Exams must be taken at the scheduled times, except in exceptional (in my judgment) and verifiable circumstances. If you do miss an exam and are properly excused, the weight of that exam will be placed on your other exam. I do not give make up exams

Participation – Participation makes up 26% of your final grade. You are responsible to come every class period having completed the readings/assignments and ready to discuss the readings/assignments with the class. Participation points will be awarded as follows:
1) Everyone is responsible for supplying the class with 4 articles from the business press about current events in the auditing world. You get credit for the article upon class approval. I reserve the right to veto the class. No one can repeat a previous article so it is first come, first serve basis. The articles will be used for class discussion of current events. I will make assignments on what day you are responsible for bringing in a current events article to class. Please email me before hand to make sure that no one else is bringing a similar article. 2) You are responsible after every class period to write up how you contributed to the class discussion and learning during that class period. Write ups are due to me by Friday at 5:00 p.m. on the day following the lecture. I will grade your write up and judge your class performance and give you 10 points toward your final grade for every class you participated successfully in. On the days you are bringing in an

article, it should be easy to get your points for the day. If you fail to bring an article on the day assigned you will lose 5 points for that days participation.

Audit Research/Case Project – Every person is responsible for submitting an auditing research/case project. Details of this project will be given throughout the semester.

Homework Assignments – Cases and Homework Handouts will be assigned throughout the semester and each assignment will instruct you to work individually or in groups. They will be due according to the schedule. I do not accept late homework. I do not drop your lowest homework assignment so you need to stay up on these homework assignments. Each homework assignment will be worth 12 points. Throughout the semester, I will give out group evaluations where you will evaluate the members of your group. Group members will be penalized if their group members report that they are shirking.

Doing Good/Having Fun/Sharing Talent – Individuals can earn an extra five points each for performing the following activities once throughout the semester:

Doing Good – Throughout the semester, perform an act of service and give me a one page write up.

Having Fun – Throughout the semester, do something fun that you have never done before and give me a one page write up.

Sharing Talent – Schedule a time to share a brief talent with the class.

Each activity needs to be professionally appropriate. These activities are to remind us that there is life beyond auditing and accounting.

Additional Points – I reserve the rights to reward additional points when groups do outstanding work on homework assignments or class projects. I also reserve the right to reward additional points to individuals who exceptionally add to the class' overall learning through their participation.

CBA Honor Code – This course and its associated course work are being administered under the policies of the University of Illinois at Chicago (UIC) College of Business Administration Honor Code. All students are expected to respect and uphold this code. **Honor Code Violations and Enforcement** Violations of the Honor Code are just causes for discipline under the University of Illinois at Chicago Student Disciplinary Procedure, and all allegations of Honor Code violations shall be handled pursuant to that Procedure.