

UNIVERSITY OF ILLINOIS – CHICAGO
ACCOUNTING 435 AUDITING
Spring 2007

Instructor: Rob Kemp
Office: University Hall 2307
Office Phone: (312) 996-4854
Office Hours: Thursday 3:30-5:00 P.M.
and by appointment

Class Time: Thursday 5:30-9:00 P.M.
Class Location: BH 309
Email: rekemp@uic.edu
Blackboard: ACTG 435 Sprg 07

Prerequisite: Accounting 316

Text: *Prentice Hall's Auditing and Assurance Services: An Integrated Approach, 11th Edition*; Arens, Elder, Beasley

Course Description:

Introduction to the audit function, ethical and legal environment, audit standards, objectives and procedures, materiality and audit risk, sampling, auditing in a computer environment, and reporting.

Course Objectives:

1. To enable the students to learn the fundamental concepts of the audit process and develop the decision making skills to apply these concepts to audits of the financial statements and an audit of internal control over financial statements.
2. To introduce the students to the CPA profession and provide a framework for preparing for the CPA exam.
3. To enable the students to understand the role of ethics and legal liability in the CPA profession and the audit process.
4. To apply the fundamentals learned in these areas to situations likely to be encountered in actual audits and in everyday life.
5. To strengthen the skills needed to meet the challenges faced by a professional accountant.
6. To improve communication skills.
7. To make the world a better place.

Suggestions for Success:

1. Read all the assigned material before coming to class.
2. Turn in all the assignments on time.
3. Add to the class discussion.
4. Work all the assigned problems.
5. Invest adequate time (Each student must define adequate but a general rule is 3/1hours study/class).
6. Attend class and arrive on time.
7. Use all the resources available including the instructor, classmates, computers and libraries.
8. Expand your mind and analytical abilities.
9. Strengthen and use your professional skepticism.
10. Laugh and enjoy.
11. Perform well on the exams and assignments.

Grades:

Description	Points	Percentage
Exam I	100	25 %
Exam II	100	25%
Exam III	100	25%
Presentation (Group Project)	40	10%
Case Study (Group Project)	60	15%
Total	400	100%

Your grade depends on your performance in class. The total points each student earns will be examined to determine final grades. The instructor reserves the right to utilize a curve. Normally 90% of the course points is an A, 80 % B, 70% C, 60% D, and below 60 % is an F. A grade of Incomplete (IN) will be assigned only under the conditions set forth in the university catalog. Please refer to the "General Course Policy" statement of the Department of Accounting for additional information.

Assignments:

Assignments are due no later than the end of the class period on the due date. Late assignments submitted no later than the end of the following class period will be assessed a 50% penalty. Late assignments received more than one class period past the due date will receive zero credit. Assignments submitted by electronic media are at the student's risk.

Groups:

The student will have the option of selecting their own group or being assigned to a group. In addition to the instructor evaluation of the group's performance each group member will evaluate all other group members. This evaluation will be factored into the individual group member's grade.

Exams:

Exams will be primarily problem-oriented, and may include objective and subjective questions. They are based on the lectures, homework and textbook readings. The primary focus of the exams is the chapters listed on the Schedule by exam date. A cumulative general base of knowledge is required for progression through the exams. The use of textbooks and notes are not allowed for the exams. Makeup exams will not be given without the instructor's approval prior to the exam date. Exams are a graded item.

Homework:

Audit expertise is best gained through problem solving. Therefore numerous problems will be assigned. Problems will be discussed in class on a time available basis. Solutions to problems not covered in class will be made available. Homework problems are not graded.

Audit presentation/Case Study (Group Projects):

The group projects will give you an opportunity to synthesize your audit knowledge, workpaper preparation skills, analysis abilities, communication competence, group efficiency, creativity and research skills. Each of these projects will be completed on a group basis and each group will make one presentation, and submit one case study. The group projects are a graded assignment.

Extra Credit:

No extra credit is available for this class.

Office hours:

I encourage you to visit me during my office hours. If you are unable to meet with me during my scheduled office hours I will arrange to meet with you by appointment.

Class Participation:

Class participation is encouraged and will make the class more enjoyable. Participating in class will expand your life experiences. You will not be graded on class participation.

Cell Phones:

All cell phones should be turned off prior to entering the classroom.

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. Violations of the Honor Code are just causes for discipline under the UIC Student Disciplinary Procedure and all allegations of Honor Code violations shall be handled pursuant to that Procedure.

Schedule:

Date	Topic	Chapter	Assignment Due Date
1/18/07	Demand Audit Services, CPA Profession	Chapter 1,2	
1/25/07	Audit Reports	Chapter 3	
2/1/07	Professional Ethics	Chapter 4	
2/8/07	Legal Liability	Chapter 5	Presentation*
2/15/07	Audit Responsibilities	Chapter 6	Presentation*,
2/22/07	Exam I	Chapter 1 thru 6	
3/1/07	Audit Evidence, Statistical Sampling	Chapter 7, Handout	Presentation*
3/8/07	Audit Planning, Analytical Procedures	Chapter 8	Presentation*
3/15/07	Materiality and Risk	Chapter 9	Presentation*
3/22/07	Internal Control	Chapter 10	Presentation*
3/29/07	Spring Break		
4/5/07	Exam II	Chapter 7 thru 10, Handout	
4/12/07	Fraud	Chapter 11	Presentation*
4/19/07	Audit Plan and Audit Program	Chapter 14	Presentation*, Case Study 7-42
4/26/07	Audit of Sales and Collection, Contingencies, Subsequent Events	Chapter 16, 24	Presentation*
5/3/07	Cash	Chapter 23	
5/7/07-5/11/07 TBA	Exam III	Chapter 11,14,16,23,24	

*One group presentation per class

Readings and Homework Schedule:

Date	Readings	Problems
1/18/07	Chapter 1,2	1-14,15,18,21;2-1,8,16,21
1/25/07	Chapter 3	3-2,6,9,15,22,26,28
2/1/07	Chapter 4	4-2,4,7,15,20,22,24
2/8/07	Chapter 5	5-9,13,23,25
2/15/07	Chapter 6	6-2,3,4,13,15,25,27
2/22/07	Review Chapter 1 thru 6	
3/1/07	Chapter 7, Handout	7-4,7,12,32,37
3/8/07	Chapter 8	8-2,3,5,11,14,21,32
3/15/07	Chapter 9	9-2,11,18,27,33
3/22/07	Chapter 10	10-2,4,6,12,14,17,18,22,34,35
3/29/07	None	
4/5/07	Review Chapter 7 thru 10, Handout	
4/12/07	Chapter 11	11-,5,7,13,14,15,25,26
4/19/07	Chapter 14	14-1,3,4,7,14,17,24
4/28/07	Chapter 16, 24 (pg. 711-720, 730)	16-1,3,4,7,16,27,28; 24-25,26
5/3/07	Chapter 23	23-2,3,5,10,12,22,23
5/7/07-5/11/07 TBA	ReviewChapter 11,14,16,23, 24	

Honor Code

As an academic community, the College of Business Administration at the University of Illinois at Chicago is committed to providing an environment in which teaching, learning, research, and scholarship can flourish and in which all endeavors are guided by academic and professional integrity. All members of the college community—students, faculty, staff, and administrators—share the responsibility of insuring that high standards of integrity are upheld so that such an environment exists.

In pursuit of these high ideals and standards of academic life, students will be expected to respect and uphold the UIC College of Business Administration Honor Code throughout their academic life at UIC. They will be expected to maintain the highest moral and ethical standards in all academic and business endeavors and to conduct themselves honorably as responsible members of the college academic community. This includes the following:

- ? Not to seek unfair advantage over other students, including but not limited to giving or receiving unauthorized aid during completion of academic requirements;
- ? To represent fact and self truthfully at all times;
- ? To respect the property and personal rights of all members of the academic community.

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.