

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

**Accounting 435 – Auditing**

**Summer Semester 2007** - 4 credit hours **CRN 13585**

Prerequisite: Accounting 316 **no exceptions**

Class meets on Tuesday & Thursday from 6:00 PM to 9:30 PM

Instructor:	Abel Galvan, CPA, MBA	Email - galvan@UIC.edu
	Office : 2319 University Hall	Phone: 312-413-8965
	Office Hours: T/TR 12:00 - 1:00 PM - 4:40 – 5:45 PM or by appointment	

**Catalog 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.

**Required Materials:**

1. Arens, Elder & Beasley, Auditing: An Integrated Approach, 11<sup>th</sup> Edition, Prentice Hall

**Course Requirements and Grading:**

Exam 1 – 3 (75 x 3)	225 points
Final Exam	75 points
Quizzes	50 points
Homework	40 points
Team Assignments	10 points
<u>Total</u>	<u>400 points</u>

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.

**NO CURVE**

Keys to Success:

Exams will be based on **textbook**, **lectures**, and **homework** assigned.

Expect the reading of each assignment to take two to three hours to complete and another hour to complete the assigned homework.

*Here are my guidelines to class participation:*

## Homework

Read the assigned chapter prior to attempting the questions and problem assigned from the textbook. Other random class assignments may or may not require textbook readings. All work has to be completed to the best of your ability before you come to class so that you can participate in class activities and discussions. Homework assignments are due per schedule on syllabus and may be collected randomly. At the end of the term you must submit a professionally prepared, indexed homework work paper package including all assignments, case solutions, copies of presentations and audit project work papers. You will be given the opportunity to earn a total of **40 points** toward your final grade for homework assignments you complete and turn in on the day collected. **No Exceptions.**

### Audit Project

You will be required to complete an audit of a fictitious company, worth **15 / 40** of the homework points. More information for this project will be provided later in the class.

### Team Assignments – Contemporary Auditing Cases

In order to enhance your interpersonal skills and team experience, audit teams will be formed during the first class and each team will be required to complete team assignments. Each team will be assigned a case and will be given the opportunity to present their research to the class and lead the discussions as necessary.

## Quizzes

Chapter quizzes will be given after each chapter. Some will be given in class unannounced, and some will be on-line via blackboard and must be completed by the deadline. No exceptions will be granted.

## Attendance

You are encouraged to attend class as often as possible. Missing one class in is like missing several classes in a non-analytical course so attendance is very important. **You can't participate or take a quiz if you miss class.**

Any changes to this syllabus will be announced in class.

## Course Tentative Schedule

<b>Date</b>	<b>Topic</b>	<b>Assignment</b>
5/29	Introduction	Read Chapters 1, 2,
	<b>Lecture</b> <b>Chapter 1: The Demand for Audit and Assurance Services</b>	RQ 1-1, 1-8,1-11, P 1-21, 1-22
	<b>Lecture</b> <b>Chapter 2: The CPA Profession</b>	Read Chapter 3 RQ 2-1, 2-5, 210, 2-13 P 2-18
5/31	<b>Lecture</b> <b>Chapter 3: Audit reports</b>	Read Chapter 4 RQ 3-2,3-3, 3-4,3-6, 3-11 P 3-29
	Begin Chapter 4 Lecture	
6/5	<b>Lecture</b> <b>Chapter 4: Professional Ethics</b>	Read Chapter 14 RQ 4-2,4-5 4-7,4-15 P 4-23
	Begin Chapter 14 Lecture	
6/7	<b>Lecture</b> <b>Chapter 14: Audit Sampling for Tests of Controls and Substantive Tests of Transactions</b>	Read Chapter 5 RQ 14-1, 14-2, 14-4, 14-7, 14-9, 14-3, 14-15,14-16
	Exam 1 – Chapters 1 – 4	
6/12	<b>Lecture</b> <b>Chapter 5: Legal Liability</b>	Read Chapter 6 RQ 5-3,5-5,5-8 5-14, 5-15 P 5-19, 5-21
	Begin Chapter 6 Lecture	
6/14	<b>Lecture</b> <b>Chapter 6: Audit Responsibilities and Objectives</b>	Read Chapter7 RQ 6-2,6-3,6-4 6-10,6-11,6-14
	Begin Chapter 7: Audit Evidence	

6/19	<p>Lecture Chapter 7: Audit Evidence</p> <p>Begin Chapter 8: Audit Planning and Analytical Procedures</p>	<p>Read Chapter 8 RQ 7-2, 7-3 7-4, 7-7 7-9, 7-12 P 7-30, P 7-36</p>
6/21	<p>Lecture Chapter 8: Audit Planning and Analytical Procedures</p> <p>Begin Chapter 9: Materiality and Risk</p>	<p>Read Chapter 9 RQ 8-2,8-3,8-5, 8-6,8-9, 8-12 8-17</p>
6/26	<p>Chapter 9: Materiality and Risk</p> <p>Exam 2 - Chapters 5 – 7 &amp; 14</p>	<p>Read Chapter 10 RQ 9-1,9-3 9-9,9-11 9-18 P 9-28</p>
6/28	<p>Lecture Chapter 10 Internal Control</p> <p>Begin Chapter 11 Fraud Auditing</p>	<p>Read Chapter 11 RQ 10-7, 10-9 10-14, 10-18, 10-19 P 10-26</p>
7/3	<p>Lecture Chapter 11: Fraud Auditing</p> <p><b>Make-up Class</b></p>	<p>Read Chapter 12 RQ 11-1, 11-2 11-4, 11-7 P 11-28</p>
7/5	<p>Lecture Chapter 12: The Impact of Information Technology on the Audit Process</p>	<p>Read Chapter 15 RQ 12-1,12-4, 12-8,12-9, 12-10</p>
7/10	<p>Lecture Chapter 15 Audit Sampling for Test of Controls and Substantive Test of Transactions</p> <p>Exam 3 Chapters 8 - 11</p>	<p>Read Chapter 16</p>
7/12	<p>Lecture Chapter 16 Completing the Tests in the Sales and Collection Cycle: Accounts Receivable</p> <p>Homework Portfolio Due</p>	<p>Read Chapter 23</p>
7/17	<p>Lecture Chapter 23: Audit of Cash</p>	<p>Study For Final</p>
7/19	<p><b>Final Exam Date may change</b> Chapters 12 – 15 – 16 &amp; 23</p>	

