

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

**Accounting 435 – Auditing (13585)**

**Summer Semester 2008** - 4 credit hours

Prerequisite: Accounting 316

Class meets on Monday & Wednesday 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: Monday & Wednesday 4:30PM – 5:30PM or by appointment	

**Catalog Description:** Introduction to the audit function, ethical and legal environment, audit standards, objectives and procedures, materiality and audit risk, sampling, and reporting.

**Required Materials:**

1. Louwers, Ramsay, Sinason, and Strawser, Auditing and Assurance Services, 3rd Edition, McGraw-Hill-Irwin

**Course Requirements and Grading:**



Exam 1, 2	60 points ( each)
Final Exam	70 points
Quizzes	75 points
Homework	25 points
Team Presentations	10 points
<u>Audit Project</u>	<u>25 points</u>
Total	325 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.

**NO CURVE**

Keys to Success:

Exams will be based on **textbook, lectures, cases** 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:*

## **Examinations**

There will be 3 exams during the semester for a total of 190 points. The format for the exam will be a combination of essays, matching, fill in the blank and/or multiple choice questions. The exams will be conducted during the first half of selected classes. The exams will come from the material covered in the text book and issues covered in the cases.

## **Homework**

The homework assignments come from the textbooks or assigned in class. 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 the syllabus. **No Exceptions. Only you can turn in your work.** You will earn a total of 25 points toward your final grade for homework assignment you complete and turn in.

You will also be required to complete an audit of Sales. The project will be completed throughout the semester you will be advised regarding the due dates, the final portion is due on 7/30/08, the audit project is worth 25 points. Late audit projects will not be accepted – no exceptions. Begin work on your project early.

## **Team Project**

In order to enhance your audit experience, audit teams will be formed during the first class and each team will be required to complete and present audit related case. The audit teams will also plan and write an audit program to be used on audit of Sales cycle for a fictitious company. The project syllabus and the sales transactions files will be posted on **Blackboard**. **The team may fire any member for any legitimate reason.**

## **Quizzes**

Chapter quizzes will be given periodically. Some will be given **in class unannounced**, and some will be on-line via blackboard and must be taken by the deadline. No exceptions for computer problems will be granted.

## **CPA Simulations**

Your textbook comes with CPA simulations provided by Kaplan CPA review. My advice is that you do these simulations to help reinforce your knowledge of the materials and practice for the exam.

## **Attendance**

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

Any changes to this syllabus will be announced in class.

## **Embedded Course Assessments**

## Course Tentative Schedule

<b>Date</b>	<b>Topic</b>	<b>Assignment</b>
6/16	Introduction	Read Chapters 1, 2,
	<b>Lecture</b> <b>Chapter 1: Auditing and Assurance Services</b>	E/P 1.47, 1.49, 1.52 1.53
	Lecture Chapter 2: Professional Standards	2.46, 2.48, 2.51, 2.52
6/18	<b>Lecture</b> <b>Module B – Professional Ethics (pp 539)</b>	Read Module B  B.45, B.46, B.47, B.48
6/23	<b>Lecture</b> <b>Module C – Legal Liability (pp 587)</b>	Read Chapter C  C.55, C.57, C.61, C.66, C.67
	Team Presentations	
6/25	<b>Lecture: Chapter 12 Reports on Audited Financial Statements</b>	Read Chapter 12
	Team Presentations	12.38, 12.39, 12.42, 12.45, 12.47, 12.48
6/30	<b>Exam # 1 (6:15 P.M. – 7:45P.M. Chapters 1, 2 Module B, C)</b>	Read Chapter 3 3.44, 3.47, 3.53
	<b>Lecture Chapter 3: Management Fraud and Audit Risk</b>	
7/2	<b>Lecture Chapter 4: Engagement Planning</b>	Read Chapter 4
	<b>Team Assignment 4.59 - all teams</b>	4.52, 4.54, 4.56
	<b>Team Presentations</b>	
	<b>Enjoy the Holiday</b>	
7/7	<b>Lecture Chapter 5: Risk Assessment Internal Control Evaluation</b>	Read Chapter 5 5.64, 5.68, 5.70
	<b>Team Presentations</b>	
7/9	<b>Lecture Chapter 6: Employee Fraud and the Audit of Cash</b>	Read Chapter 6
	<b>Team Exercise 6.49 Interbank Transfers</b>	6.45, 6.47, 6.48,
7/14	<b>Exam # 2 ( 6:15 – 7:45Chapters 3,4, 5 – 12)</b>	Read Chapter 7 7.54, 7.55, 7.56, 7.58
	<b>Lecture Chapter 7: Revenue and Collection Cycle</b>	
7/16	<b>Lecture Chapter 7 Continued</b>	Read Chapter 8
	<b>Lecture Chapter 8: Acquisition and Expenditure Cycle including Appendix C – Payroll Cycle</b>	8.39, 8.45, 8.47, 8C.20

7/721	<b>Lecture Chapter 9: Production Cycle</b>	Read Chapter 9 9.42, 9.43, 9.45, 9.46
723	<b>Lecture Chapter 10: Finance and Investment Cycle</b>	Read Chapter 10 10.47, 10.48, 10.50, 10.51
7/28	<b>Lecture Module E: Overview of Sampling</b>	Read Module E & F E.53, E.55, E.60, E.66
7/30	<b>Lecture Module F: Variable sampling</b>	Audit Project Due. Study for final
8/4	<b>Final Exam</b>	