

**Accounting 435 – Auditing
Fall 2012**

Professor: Ryan J. Casey, PhD, CPA

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Class Sections:

Section 1 (Call# 10092, 20042, 34749) / Tues & Thurs / 11:00 – 12:15pm / SH 319

Section 2 (Call# 10080, 10076, 34748) / Tues & Thurs / 2:00 – 3:15pm / DL 220

Section 3 (Call# 34262, 34750) / Tues / 6:00 – 9:00pm / DL 330

Office Hours: Thursday 8:30 - 10:30am, and by appointment.

Prerequisite: Successful completion of Accounting 316, no exceptions.

Course Description:

This course is designed to provide students with an understanding of issues relevant to the public accounting profession, and a brief introduction to audit testing and procedures. Students will learn to think critically about issues facing the accounting profession, primarily by analyzing cases and completing several in class exercises. Upon completion of the course, students should be very familiar with the environment of public accounting (including professional standards, legal liability, and regulation), issues to be considered when planning an audit engagement, how to complete various auditing procedures, and how to interpret various types of auditor's reports.

Course Format:

The course is designed to be very “hands-on” during class time, with case discussions, discussions of textbook problems and discussions of current topics in the auditing industry. Lecturing will be kept to a minimum and it is required that you have read the assigned material before coming to class. Students will complete many assignments and activities via group work. Each week you will be given a practice quiz for personal assessment of learning progress.

Course Materials:

- Auditing: An Integrated Approach, 14th Edition. Authors: Arens, Elder & Beasley; Publisher: Prentice Hall.
ISBN-10: 0132575957, ISBN-13: 9780132575959.
- Blackboard: Course announcements, lecture notes, cases, additional required readings and other course information will be posted on the Blackboard website under “course documents”. It is your responsibility to download the supplemental material. I will post an “announcement” on blackboard when I make any changes.

Evaluation:

Final grades will be based on the following:

| | |
|------------------|------------|
| Mid-term Exam 1: | 50 |
| Mid-term Exam 2: | 50 |
| Exam 3: | 50 |
| Group Work: | <u>50</u> |
| Total: | 200 |

Exams:

There will be three 50-point exams. Exams will be administered in a combined section format and will take place at 6pm on 10/2 and 11/13. All exams will be based on lectures, quizzes, cases, and readings. Registration for this course implies that you are aware of all the exam dates and will take the final exam as originally scheduled. You may NOT use a cell phone, laptop, or any other such electronic device during an exam.

Group Work:

Each week there will be two opportunities to gain (lose) group points. You will be assigned both a case to read and a reading that will be based on current issues in the auditing profession. Each group member should come to class prepared to discuss with the team. You will be given a short amount of time during class to convene with teammates, and then you will be asked to present your position to the class.

In-class work/Participation/Professionalism:

- **Attendance:** Is highly recommended as in-class activities and discussions are required. If you must miss class for an approved reason (job interview, illness, athletic travel, etc.), then you will be able to make up any assignments missed to receive participation credit. Note: pre-approval of an absence is mandatory.
- **Participation:** This course requires discussion and participation by all students. I encourage you to actively voice your questions/comments during class. Lack of participation may negatively affect the students' grade.
- **In-class Work:** There will be many opportunities to apply what you have learned with in-class textbook problems, exercises, etc.
- **Professionalism:** Lack of professionalism will negatively impact your grade. Examples of actions that (I believe) demonstrate a lack of professionalism: coming to class late, using laptop for personal reasons, texting, cell phone noise, being rude to anyone in the class.

Grade Dispute Policy:

If you believe the score you received on an exam (or any graded activity) is not accurate/fair; you MUST submit a written explanation that highlights your position within one week. I will respond to all formalized complaints within a few days.

Honor Code:

Please familiarize yourself with the University and the College of Business Administration's Honor Code / 'Code of Conduct' see the link to the CBA site here: <http://www.uic.edu/cba/Faculty/academicaffairs/honorcode.html>

Any violations of the ethical standards, cheating and or plagiarism in any graded class activity such as assignments and examinations WILL BE DEALT WITH THE UTMOST SERIOUSNESS including failing grades and or expulsion. There will be NO opportunity ex-post to seek leniency in treatment, no matter what the circumstances that may have resulted in such a behavior.

Disclaimer:

The syllabus and schedule are subject to change at my discretion. If any changes are required, I will make an announcement in class and post a detailing of the change on Blackboard. Lastly, when in doubt please ask me either in class or send an email.

| <i>Week</i> | <i>Session</i> | <i>Date</i> | <i>Chapter</i> | <i>Subject</i> | <i>Cases</i> | <i>Current Issues</i> |
|-------------|----------------|-------------|----------------|--|------------------------|------------------------|
| 1 | 1 | 8/28/12 | Ch 1 | Introduction | | |
| | 2 | 8/30/12 | | Demand for Audit | | |
| 2 | 3 | 9/4/12 | Ch 2 | The CPA Profession | | PCAOB Inspections |
| | 4 | 9/6/12 | | Group Assignments | Enron | |
| 3 | 5 | 9/11/12 | Ch 3 | Audit Reports | | Auditor Rotation |
| | 6 | 9/13/12 | | | American Fuel & Supply | |
| 4 | 7 | 9/18/12 | Ch 4 | Professional Ethics | | Sox Effectiveness |
| | 8 | 9/20/12 | | | Leign Ann Walker | |
| 5 | 9 | 9/25/12 | Ch 6 | Auditor Responsibility & Objectivity | | Audit Campaign Contrib |
| | 10 | 9/27/12 | | | AIG | |
| 6 | 11 | 10/2/12 | | Exam 1 - Combined Section | | |
| | 12 | 10/4/12 | | Details TBD | | |
| 7 | 13 | 10/9/12 | Ch 7 | Audit Evidence | | Auditor Retention |
| | 14 | 10/11/12 | | | ZZZZ Best | |
| 8 | 15 | 10/16/12 | Ch 8 | Audit Planning & Analytical Procedures | | ? |
| | 16 | 10/18/12 | | | Hamilton Wong | |
| 9 | 17 | 10/23/12 | Ch 9 | Materiality and Risk | | ? |
| | 18 | 10/25/12 | | | Madoff | |
| 10 | 19 | 10/30/12 | Ch 10 | Internal Control & Control Risk | | ? |
| | 20 | 11/1/12 | | | Howard Street | |
| 11 | 21 | 11/6/12 | Ch 11 | Fraud Auditing | | ? |
| | 22 | 11/8/12 | | | Livent | |
| 12 | 23 | 11/13/12 | | Exam 2 - Combined Section | | |
| | 24 | 11/15/12 | | Details TBD | | |
| 13 | 25 | 11/20/12 | Ch 25 | Other Assurance Services | | |
| | 26 | 11/22/12 | | No Class - Thanksgiving | | |
| 14 | 27 | 11/27/12 | Ch 13 | Overall Audit Plan & Audit Program | | ? |
| | 28 | 11/29/12 | | | Happiness Express | |
| 15 | 29 | 12/4/12 | Ch 15 | Audit Sampling | | ? |
| | 30 | 12/6/12 | | | The North Face | |
| 16 | 31 | 12/11/12 | Ch 24 | Completing the Audit | | ? |
| | 32 | 12/13/12 | | | Jack Greenberg | |
| | | TBD | | Exam 3 | | |