

Sch-Mgmt 541 Auditing Syllabus
Spring 2008

<i>Professor:</i> Paul G. Kelliher <i>Email:</i> pkelliher@som.umass.edu <i>Website:</i> http://intra.som.umass.edu/kelliher	<i>Office Hours:</i> MW 10am-noon, Tues 9 – 11am <i>Office:</i> 331 <i>Phone:</i> 545-5685 <i>Password:</i> Provided in class
---	--

Auditing is a systematic process of objectively obtaining and evaluating evidence regarding assertions about economic actions and events to ascertain the degree of correspondence between those assertions and established criteria and communicating the results to interested users. (“A Statement on Basic Auditing Concepts” by the Committee of Basic Auditing Concepts)

Course Overview:

In this course, we will examine auditing and assurance from economic, informational, and regulatory perspectives. A primary objective of the course is to introduce and develop a broad theoretical understanding of fundamental auditing concepts (including such concepts as assertions, audit risks, materiality, risk assessment, client acceptance, planning, internal control, evidence, reporting, audit quality, etc.). We will explore stages of a financial statement audit (for public and private companies) and refer to other assurance services.

Prerequisite:

Accountg 322 or Sch-Mgmt 522

Texts:

Required: *Auditing* (by Ricchiute, 8th edition)

Optional: *Auditing Cases: An Interactive Learning Approach* (by Beasley, Buckless, Glover, and Prawitt, 3rd edition).

Midterm (25% of Grade) and Final (30% of Grade) Exams:

The midterm exam will cover material from the first half of the semester. The final exam will focus primarily on material from the second half of the semester, but will also include a cumulative component.

Generally, absences from the midterm or final are not excused except in genuine, rare, documented emergencies. If you must miss the midterm or final, contact me in advance when it is possible to do so.

Quizzes (15% of Grade):

Periodic quizzes will cover smaller amounts of material. To be successful on the quizzes, it is important to stay current with the material covered in the course. You should also contact me in advance if you are going to miss a quiz, and may need to provide documentation.

Research Project (20% of Grade):

You will be assigned to a group with other classmates with whom you will work on an auditing research project. Working with other people is an important professional skill as the practice of auditing is rarely an individual activity (AICPA 2005). Research shows that, early on, group work can be inefficient, but with thoughtful practice can become more efficient and effective. The final output of this project will be a research paper that you and your group members will prepare. The due date for this project will be announced at the time of the assignment.

Your participation in your group may vary day-to-day, but you should contribute significantly to your group on average. Near the end of the semester, you will have the opportunity to rate (confidentially) your own and your group members' contributions to the research project. Your grade for the research project will be based on both the paper itself and your individual contribution.

Class Participation (10% of Grade + Bonus):

Class participation is an essential element of your learning. In school and in the professional world, thoughtful listening, questioning, and analysis are all important skills. You should conduct yourself with professionalism, treating others with respect. When missing class is unavoidable, you should contact a classmate (not me) to determine what notes, assignments, announcements, etc., you may have missed. You are also expected to work on problems in the book (at the end of each chapter) on your own. Solutions will be provided.

Class attendance in this course is a critical element of success as, unlike many other accounting courses, the material is, by its nature, cumulative in nature. Further, much of the true learning will derive from the class discussions and debates. You are allowed 2 absences for unforeseen matters. If your attendance is kept to no more than 2 an additional 2 points will be added to your computed mathematical average at the end of the semester.

Policy on Academic Integrity:

Academic dishonesty will not be tolerated, and sanctions and penalties for academic dishonesty will be imposed in accordance with university policy.

Course Outline (and Corresponding Sections from Auditing Textbook):

Fundamental Concepts

An Introduction to Auditing and Assurance (Chapter 1)

Standards, Materiality, and Risk (Chapter 2)

Audit Reports (Chapter 3)

Professional Ethics (Chapter 4)

Evidence (Chapter 6)

Legal Liability (Chapter 5)

Field Work

Client Acceptance, the Audit Process, Planning, and Fraud (Chapter 7)

Internal Control (Chapter 8)

Audit Sampling (Chapter 9)

Substantive Tests of Transactions and Balances (selected topics from Chapters 10-16)

Completing and Audit (Chapter 17)

Other Assurance and Attestation Services (selected topics from Chapter 18)

Class Schedule - Spring 2008

Day	Date	Chapter	Comments
M	01/28/08	Syllabus and Course Overview	
W	01/30/08	Ch. 1 An Introduction to Audit and Other Assurance Services	All MC, P1-3
M	02/04/08	Ch. 2 Standards, Materiality, and Risk	All MC, P2-9
W	02/06/08	Ch. 2 Continued	Quiz #1, Ch 1 & 2
M	02/11/08	Ch. 3 Audit Reports	
W	02/13/08	Ch. 3 Continued	All MC, P3-3
M	02/18/08	<i>Holiday</i>	<i>President's Day</i>
Tues	02/19/08	Ch. 6 Evidence	Monday Schedule
W	02/20/08	Ch. 6 Continued	Quiz #2, Ch 3 & 6
M	02/25/08	Ch. 4 Professional Ethics	
W	02/27/08	Ch. 4 Professional Ethics, con't	All MC, P4-5
M	03/03/08	Ch. 5 Legal Liability	All MC, P5-5
W	03/05/08	Ch. 5 Continued	Quiz #3, Ch 4 & 5
M	03/10/08	Midterm	Tentative
W	03/12/08	Ch. 7 The Audit Process and Detecting Fraud	All MC, P 7-5
Sat	03/15/08	<i>Spring Recess begins</i>	
M	03/24/08	Midterm Return-&-Review	
Tues	03/25/08		Mid-semester date - last day to drop with a "W"
W	03/26/08	Ch. 7 Continued	
M	03/31/08	Ch. 8 Internal Control	All MC, P8-1 & 8-4
W	04/02/08	Ch. 8 Continued	
M	04/07/08	Ch. 8 Continued	Quiz #4, Ch 7 & 8
W	04/09/08	Ch. 9 Audit Sampling	All MC, P9-13
M	04/14/08	Ch. 9 Continued	
W	04/16/08	Ch. 9 Continued	
M	04/21/08	<i>Holiday</i>	<i>Patriot's Day</i>
W	04/23/08	Ch. 11 Auditing Cash & Receivables	All MC, P11-1
M	04/28/08	Ch. 11 Continued	Quiz #5, Ch 9 & 11

W	04/30/08	Ch. 17 Completing the Audit	All MC, P17-8
M	05/05/08	Ch. 17 Continued	
W	05/07/08	Ch. 17 Continued	
M	05/12/08	Teacher Evaluations and Group Project	
Thurs	05/15/08	Finals Begin	Group Evaluations Due