

**Auditing  
ECBA 448  
Spring 2006  
Section 01**

Instructor: Guy McClain  
Email: mcclaing@rhodes.edu

Office: Buckman 329B  
Phone: 843-3983

**Class Times:** 4:00- 5:15 MW Buckman Hall Room 216

**Office Hours:** 1:00- 3:30 MW; 2:00- 3:00 TuTh; other hours by appointment

**Text:** *Auditing and Assurance Services: An Integrated Approach, 11<sup>th</sup> edition, Arens, Elder and Beasley*

The Rhodes bookstore has the text.

**Course Description:** A conceptual approach to the auditing process, procedures, communications, and professional environment. The course includes auditing standards, legal responsibilities, and professional ethics. Prerequisites: Business Administration 341 and 342.

**Course Objectives:** This course introduces students to the theory and standards of auditing. Topics covered include the attest function, types of reports, professional ethics, legal liability, types of evidence, and internal controls.

**Preparation for class meetings:** The probability of successful completion of this course will be significantly influenced by the level of your preparation prior to classroom discussion of the chapter material. The instructor expects you to read the text material and attempt to complete the assigned exercises and problems **before coming to class**.

**Attendance:** Attendance is **mandatory**. Two excused absences will be allowed. Two additional excused absences will be allowed for participation in college-sponsored events. Each additional absence will cause a five-point reduction of the final average for the course.

**Semester Exams:** Three major exams will be given during the semester. Each exam will count 100 points and can consist of multiple choice, discussion questions and problems.

**Final Exam:** The final exam will be comprehensive.

**Daily Work:** Quizzes and collection of homework will be used to encourage preparation and attendance. 100 points of work will be graded and will count as your daily work grade. When homework is collected it will be graded based on completeness and will be worth 5 points for each exercise/problem turned in. Quizzes will be valued as announced.

**No make-up quizzes or late homework will be allowed.**

**Grades:** Total points possible in this course are 500, as follows:

Three exams	300
Final exam (comprehensive)	100
Daily work (quizzes/ homework)	<u>100</u>
	500

A grading scale of A, A-, B+, B, B-, etc. will be used. Any grade reduction due to excessive absences will be assessed after the grade is determined according to the above procedure.

**Honor System:** This class will be conducted in accordance with the Rhodes College honor system. If you have any questions as to how the honor code applies to work in this class please bring it up for discussion so that everyone will be correctly informed.

**The instructor will consider departure from course schedule and policy as circumstances warrant.**

**AUDITING**  
**ECBA 448 Section-01**  
**Spring 2006**  
**ASSIGNMENTS**

					<b>HOMEWORK</b>
<b>MONTH</b>	<b>DATE</b>	<b>DAY</b>	<b>CH</b>	<b>TOPIC</b>	
January	11	W		Introduction	
	16	M		<b>MLK Day Observance</b>	
	18	W	2	The CPA Profession	16, 17, 19, 21
	23	M	3	Unqualified Audit Reports (45-54)	23, 25, 33
	25	W	3	Departures from Unqualified Audit Reports (54-64)	24, 29, 30
	30	M	4	Ethics and the Code of Conduct (73-86)	1, 3, 4, 5, 23
February	1	W	4	Specific rules of the Code of Conduct (86-99)	18, 19, 21, 24
	6	M		<b>Test 1</b>	
	8	W	5	Legal Liability under Common Law (107-116)	16, 18, 20
	13	M	5	Civil Liability under Federal Securities Laws (117- 125)	17, 21, 23, 25
	15	W	6	Audit Responsibilities (133-144)	18, 19, 21, 25
	20	M	6	Audit and Management Objectives (144-152)	20, 26, 27, 29
	22	W	7	Types of Audit Evidence (161-174)	29, 31, 32, 34
	27	M	7	Audit Documentation (174-183)	30, 38, 39, 40
March	1	W	8	Audit Planning (193- 205)	25, 26, 28, 29
	6	M	8	Analytical Procedures (205- 217)	27, 32, 36
	8	W		<b>Test 2</b>	
	13	M		<b>Spring Break</b>	
	15	W		<b>Spring Break</b>	
	20	M	9	Materiality (231-239)	22, 25, 26
	22	W	9	Audit Risk (239-254)	23, 24, 27, 31
	27	M	10	Internal Control (269-294)	35, 37, 39
				SOX 404 (295-299) and IT (Ch 12)	<b>Ch 10-</b> 31, 32, 33, 41 <b>Ch 12-</b> 17,
	29	W	10, 12		18, 21, 26

April	3	M	15	Non-statistical Audit Sampling (443- 465)	24, 25, 31
	5	W	15	Statistical Audit Sampling (466-472)	22, 23, 27, 28
	10	M	17	Audit Sampling for Tests of Details of Balances	25, 26, 29, 31
	12	W		<b>Easter Recess</b>	
	17	M	24	Completing the Audit	20, 21, 22, 23, 25, 26, 29
	19	W		<b>Test 3</b>	
	24	M	23	Audit of Cash	18, 19, 21, 24,
	26	W	21	Audit of Inventory and Warehousing	18, 19, 20, 21, 26, 32
	29	Sat		<b>Reading Day</b>	
May	1	M		<b>Exams Begin</b>	
	4	Thurs		<b>Reading Day</b>	
	6	Sat		<b>FINAL EXAM (8:30 AM)</b>	