



BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY

School of Business

Program: Financial Management

Option: Accounting

Course Outline Part A

**FMGT 3310/4310**  
**Auditing**

**Hours/Week:** 3/4  
**Lecture:**

**Total Hours:** 125  
**Total Weeks:** 35

**Term/Level:** 1 & 2  
**Credits:**

### Prerequisites

FMGT 3310/4310 is a Prerequisite for:

- |  | Course No. | Course Name |
|--|------------|-------------|
| 1. Introduction to Accounting  |            |             |
| 2. Completion of the BCIT first year Financial Management program or admission into the second year program by permission of the Associate Dean. | N/A        | N/A         |

### Course Goals

To achieve an appropriate level of mastery and skill in the discipline of Auditing.

### Course Description

1. The role of the auditor in our economy.
2. Professional standards.
3. Auditors' reports.
4. Professional ethics.
5. Legal liability and responsibilities of the auditor.
6. Audit evidence and documentation.
7. Planning the audit; designing audit programs.
8. Internal control.

END OF TERM I

9. Internal control in a computer environment.
10. Audit sampling: concepts and techniques.
11. Audit sampling: applications for substantive testing.
12. Revenue cycle — testing controls.
13. Revenue cycle — substantive tests.
14. Auditing the acquisition cycle.
15. Auditing the conversion and payroll cycles.
16. Auditing the financing cycle.
17. Auditing the investment cycle.
18. Auditing operations and completing the audit.
19. Special audit engagements. Non-auditing services.
20. Internal, operational and compliance auditing.

END OF TERM II

**Evaluation**

Final Examination	50%	This evaluation may change if circumstances warrant.
Mid-term Examination	20%	
Other	30%	
TOTAL	100%	

**Course Outcomes and Sub-Outcomes**

1. To provide a sufficient background for the student to understand the meaning and purpose of the audit function.
2. To develop the student's knowledge of accounting procedures through learning to make critical assessments of the procedures and to prepare options on them.
3. To equip the student with knowledge and skills relative to auditing techniques and procedures that will prove helpful to him in entering employment in such fields as public accounting, internal auditing or management in any business.
4. To review the internal audit process in depth and to outline the techniques and methods of operational auditing.

**Course Record**

Developed by: Peter Woolley Date: August 1997  
Instructor Name and Department (signature)

Revised by: \_\_\_\_\_ Date: \_\_\_\_\_  
Instructor Name and Department (signature)

Approved by: \_\_\_\_\_ Start Date: \_\_\_\_\_  
Associate Dean / Program Head (signature)



**Effective Date**

August, 1997

**Instructor(s)**

Peter Woolley

Office No.: SE6 – 379

Phone: 6751

Home: 922-6915

Office Hrs.: To be announced

**Text(s) and Equipment**

**Required:**

*Auditing*. Revised Canadian Edition. Pany, Whittington and Lam. Times Mirror Professional Publishing Ltd.

*Study Guide for Use with Auditing*. Revised Canadian Edition. Pany, Whittington and Lam. Prepared by Bruce Densmore.

(Please note special arrangements have been made so that the above two required texts can be purchased together at a reduced price than if bought separately.)

In addition to the prescribed texts the student will be expected to purchase "Short Audit Case - The Valley Publishing Company", Seventh Edition, by Morris, William J. - Richard D. Irwin Inc. This simulated audit case affords the student an opportunity to gain practical experience in applying the techniques and procedures learned in the lecture periods.

This case will not be started until January, 1998 and the student can defer the purchase of this book until that time.

**Recommended:**

There are many good books on auditing in the BCIT Library which can be used as a valuable resource. Students are also encouraged to read the current accounting journals.

**Reference:**

As statistics are used extensively in this course a calculator with statistical functions will prove useful in examinations.

## Assignment Details

*It is important that you read this material.*

1. For multiple choice questions, an explanation of your choice and the reasons for rejecting other choices should be given.
2. The 30% weighting is distributed as follows:

	Term 1	Term 2
Assignments	20%	25%
Participation and Attendance	<u>10%</u>	<u>5%</u>
Total	<u>30%</u>	<u>30%</u>

3. The discussion sessions are an opportunity to explore the relevant topic material in an unstructured way. You must have read the relevant chapter **prior to the discussion session** and be prepared to answer questions on it. You should also have ready **prior to the discussion session** a number of questions that you require clarification on and also questions about matters which in your opinion are not fully explored in the chapter material in sufficient depth.
4. The **Study Guide** should be used as you progress with the course. Some of the **Study Guide** questions will be included in the examinations.



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Schedule

School of Business

Program: Financial Management

Option: Accounting

FMGT 3310/4310

Auditing

Week	Outcome/Material Covered	Chapter Reference
<b>DETAILED COURSE CONTENT BY WEEK</b>		
<b>THIRD TERM</b>		
1 & 2	The Professional Practice of Auditing	1
3	Professional Standards	2
4	Auditor's Reports	3
5	Professional Ethics	4
6 & 7	Legal Liability	5
8 & 9	Audit Evidence	6
10	Audit Planning	7
11 & 12	Internal Control	8
<b>FOURTH TERM</b>		
1	Computer Systems Audit	9
2 & 3	Audit Sampling: Concepts	10
4	Audit Sampling: Applications	11
5	Revenue Cycle	12
6	Revenue Cycle	13
7 & 8	Acquisition Cycle	14
9	Conversion and Payroll Cycle	15
10	Financing Cycle	16
11	Investment Cycle	17
12	Operations and Completing the Audit	18
13 & 14	Special Engagements/Non-Audit Work	19
15	Internal, Operational and Compliance Audits	20

Assignment Number	Assignment*	Due Date	
1	1-25, 1-26, 1-30, 1-31	Assignments are due at the <i>start</i> of the following week's lab session.	
2	Discussion		
3	2-25, 2-26, 2-29		
4	Discussion		
5	3-27, 4-15, 4-23, 4-24		
6	Discussion		
7	5-30, 5-33, 5-34, 5-36		
8	6-31, 6-37, 6-40, 6-44		
9	Discussion		
10	7-27, 7-30, 7-32, 7-36		
11	Discussion		
12	8-14, 8-27, 8-29, 8-32		
	END OF TERM		
1	9-14, 9-30, 9-34		
2	Discussion		
3	10-33, 10-34, 10-35, 10-36		
4	11-21		Audit Case — Intro
5	12-24		Audit Case — Prelim
6			Audit Case 1
7	13-32		Audit Case 2
8	14-37		Audit Case 3
9	15-32		Audit Case 4
10	16-33		Audit Case 5
11	17-35		Audit Case 6
2	18-28		Audit Case 7
13			Audit Case 8
14	19-32		Audit Case 9
15	20-27		Audit Case 10