

BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY

COURSE OUTLINE

COURSE NAME <u>Auditing</u>	
COURSE NUMBER <u>FMGT 3310/4310</u>	DATE <u>January 1996</u>
Prepared by <u>Peter Woolley</u>	Taught to <u>Second</u> Year
School <u>School of Business</u>	School <u>School of Business</u>
Program <u>Financial Management</u>	Program <u>Financial Management</u>
Date Prepared <u>June, 1995</u>	Option _____
Term <u>I & II</u> Hrs/Wk <u>3/4</u> Credits _____	
No. of Weeks <u>35</u> Total Hours <u>125</u>	
Instructor(s) <u>Peter Woolley</u> Office <u>SW6/379</u> Local <u>6751</u>	
Home <u>922 6915</u>	
Office Hours <u>To Be Announced</u>	

PREREQUISITES

COURSE OBJECTIVES

(Upon successful completion of this course, the student will be able to:)

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.

EVALUATION

Final Examination	<u>50</u>	%
Mid-Term	<u>20</u>	%
Projects	_____	%
Laboratory	_____	%
Other (1)	<u>30</u>	%

This evaluation may change if circumstances warrant.

REQUIRED TEXT(S) AND EQUIPMENT

Texts: Principles of Auditing. Fourth Canadian Edition. Whittington Pany, Meigs, Meigs and Lam. Irwin, Homewood, Illinois.

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, 1996 and the student can defer the purchase of this book until that time.

RECOMMENDED TEXT(S)

None

REFERENCE TEXTS AND RECOMMENDED EQUIPMENT

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

COURSE SUMMARY

1. The Role of the Auditor in Our Economy
2. Professional Standards
3. Professional Ethics
4. Legal Liability and Responsibilities of the Auditor
5. Planning the Audit, Audit Program Design
6. Audit Evidence
7. Internal Contract
8. Auditing Computer Systems

END OF TERM I

COURSE SUMMARY (Cont'd)

9. Audit Sampling
10. Audit Working Papers
11. Cash and Marketable Securities
12. Auditing Receivables and Sales Transactions
13. Inventories and Cost of Goods Sold
14. Property Plant and Equipment Depreciation
15. Accounts Payable and Other Liabilities
16. Debt and Equity Capital
17. Revenues and Expenses
18. Auditor's Reports
19. Special Audit Engagements. Non Auditing Services
20. Internal, Operational and Compliance Auditing

END OF TERM II

COURSE OUTLINE
(continued)

Week Lecture or Lab Number	Material Covered	References
<u>DETAILED COURSE CONTENT BY WEEK</u> <u>THIRD TERM</u>		
<u>WEEK</u>	<u>LECTURE SUBJECT MATERIAL</u>	<u>CHAPTER REFERENCE</u>
1 & 2	The Professional Practice of Auditing	1
3	Professional Standards	2
4	Professional Ethics	3
5 & 6	Legal Liability	4
7	Audit Planning	5
8 & 9	Audit Evidence	6
10 & 11	Internal Control	7
12	Computer Systems	8
<u>FOURTH TERM</u>		
1 & 2	Audit Sampling	9
3	Working Papers	10
4	Cash and Securities	11
5	Receivables and Sales	12
6 & 7	Inventories and Cost of Goods Sold	13
8	Fixed Assets	14
9	Current Liabilities	15
10	Debt and Equity Capital	16
11	Revenues and Expenses	17
12	Auditors Reports	18
13 & 14	Special Engagements/Non Audit Work	19
15	Internal, Operational and Compliance Audits	20

ASSIGNMENT SCHEDULE

Assignment Number	Assignment *	Due Date
1	1-26, 1-27, 1-30, 1-32	Assignments are due at the <u>start</u> of the following weeks lab session.
2	Discussion	
3	2-20, 2-22, 2-23	
4	Discussion	
5	4-30, 4-31, 4-32	
6	Discussion	
7	5-29, 5-30, 5-36, 5-38	
8	6-29, 6-33, 6-34, 6-35	
9	Discussion	
10	7-26, 7-31, 7-33	
11	Discussion	
12	8-14, 8-28, 8-29, 8-36	
	END OF TERM	
1	9-24, 9-25, 9-29	
2	Discussion	
3	10-23, 10-24, 10-25	
4	11-35 Audit Case - Intro	
5	12-35 Audit Case - Prelim	
6	Audit Case 1	
7	13-31 Audit Case 2	
8	14-29 Audit Case 3	
9	15-34 Audit Case 4	
10	16-43 Audit Case 5	
11	17-27 Audit Case 6	
12	18-26 Audit Case 7	
13	Audit Case 8	
14	19-32 Audit Case 9	
15	20-27 Audit Case 10	

NOTES ON ASSIGNMENTS

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:

	<u>Term 1</u>	<u>Term 2</u>
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.