



SEP 26 2002

Course Outline

BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY

Operating Unit: Business  
Program: Financial Management  
Option: Accounting

**FMGT 4310**  
**Auditing 2**

**Start Date:** January 2002

**End Date:** May 2002

**Course Credits:** 4  
**Total Hours:** 72  
**Total Weeks:** 18

**Term/Level:** 4

**Hours/Week:**      **Lecture:** 2      **Lab:** 2      **Shop:**      **Seminar:**      **Other:**

**Prerequisites**

**FMGT is a Prerequisite for:**

Course No.	Course Name:	Course No.	Course Name
FMGT 3310	Auditing I	FMGT 7310	Advanced Auditing

**Course Calendar Description**

This course teaches the student general auditing principles and specific audit procedures. These procedures enable the student to critically assess accounting procedures.

**Course Goals**

- Develop a framework for analyzing problems.
- Develop and improve written and oral communication skills.
- Develop an understanding of the revenue, disbursement and payroll cycles.
- Integrate the general concepts introduced in Auditing I into the practical application of auditing procedures.

### Evaluation

Final Examination	50%
Mid-term Examination	30%
Assignments ( 3 ) & Quizzes ( 2 )	10%
In class presentations ( 2 )	10%
TOTAL	100%

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### Course Outcomes and Sub-Outcomes:

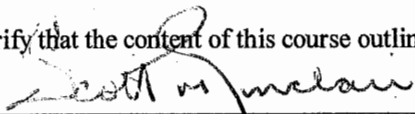
Having successfully completed this course, students should understand:

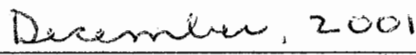
1. the nature and business function of each of the revenue, disbursement, payroll, and inventory cycles.
2. the importance of proper sample selection process for both test of controls and substantive testing.
3. the effect EDP systems have on the planning and execution of the audit.
4. the specific audit procedures that must be completed on each of the accounts included in the financial statements.
5. the special reports and other services an auditor may provide to his/her client.
6. the need for professional judgment.

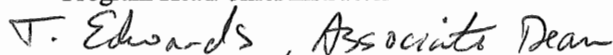
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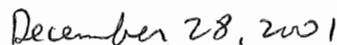
### Course Content Verification

I verify that the content of this course outline is current, accurate, and complies with BCIT Policy.

  
\_\_\_\_\_  
Program Head/Chief Instructor

  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Associate Dean

  
\_\_\_\_\_  
December 28, 2001

Note: Should changes be required to the content of this course outline, students will be given reasonable notice.



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**FMGT 4310  
Auditing 2**

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**Instructor(s)**

Scott Sinclair, B. Comm., C.A.

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Marina Cutler, B. Comm., C.A.

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**Learning Resources**

**Required:**

- Arens, Loebbecke, Lemon, Spletstoesser: Auditing and other Assurance Services (Canadian Eighth Edition) Prentice Hall Canada Inc.

**Recommended:**

- Access to CICA Handbook
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## BCIT POLICY INFORMATION FOR STUDENTS

### Conduct and Attendance:

Refer to pages 4-6 of the current BCIT Calendar.

1. Conduct—as outlined on pages 4 and 5.
2. Attendance—attendance requirements will be enforced as per the BCIT policy on pages 5 and 6 of the calendar. Excessive absence will be deemed to be missing more than two (2) labs or seminars within the student's control.

Upon notification of excessive absence and failure to provide adequate explanation, the students will be disqualified from writing the final examination.

### Cheating, Plagiarism:

Acts of cheating, plagiarism and dishonesty are not tolerated; the degree of punitive action may range from a written warning to withdrawal from the program. These penalties may also be applied to students who knowingly contribute to the act of dishonesty, cheating and plagiarism (Refer to pages 5 and 6 of the current BCIT Calendar.)

### Examinations:

It is imperative that students write examinations on either the scheduled dates as outlined in each course outline or as determined by the Registrar during the formal examination periods.

1. Subject to circumstances outlined in point 2, a student who fails to write an examination as scheduled will receive a zero on that examination.
2. It is the student's responsibility to contact the instructor to provide reasons for missing an examination. Other than in emergency situations, the student must provide the instructor with such notice at least 24 hours prior to the scheduled examination. Should such notice be given and should the reason be acceptable to the instructor, the student may, **subject to the discretion of the instructor**, be permitted to either write an alternative examination, have the marks allocated to other examinations, or have a special mark established.

It is impossible to list every acceptable reason for missing a scheduled examination. However for greater certainty, reasons such as being unprepared or having too many other examinations in the same week will not be accepted. Written documentation (i.e. a doctor's note) will be required in all cases of missed examinations.

### Photo-Identification and Exam invigilation:

1. Photo-Identification- In order to write exams, students will be required to produce photo-identification at examination centres. Photo I.D. must be placed on the desk before an exam will be issued to the student. The I.D. must remain in view on the desk while writing the exam, for inspection by invigilators. Students should bring a BCIT OneCard or two alternative pieces of identification, one of which must be government photo I.D. such as a driver's license or passport.
  2. Formal Invigilation Procedures- Refer to BCIT Policy # 5300.
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**Schedule**  
**FMGT 4310**  
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Week/Date	Outcome/Material Covered	Reference/Reading
<b>1</b> <b>Jan 2-4</b>	Review of December 2001 Exam and overview of term objectives	None
<b>2</b> <b>Jan 7-11</b>	<b>Auditing complex EDP systems</b>	Chapter 22/EDP Auditing Guidelines
<b>3</b> <b>Jan 14-18</b>	<b>Audit sampling</b>	Chapter 11
<b>4</b> <b>Jan 21-25</b>	Auditing the <b>Revenue cycle</b> -test of controls	Chapter 12
<b>5</b> <b>Jan 28-Feb 1</b>	Auditing the <b>Revenue cycle</b> - analytical review	Chapter 13
<b>6</b> <b>Feb 4-8</b>	Auditing the <b>Revenue cycle</b> -substantive testing	Chapter 14
<b>7</b> <b>Feb 11-15</b>	Auditing the <b>Payroll cycle</b>	Chapter 15
<b>8</b> <b>Feb 18-22</b>	Auditing the <b>Inventory and warehousing cycle</b>	Chapter 18
<b>9</b> <b>Feb 25-Mar 1</b>	Review	
<b>10</b> <b>Mar 4-8</b>	<b>Midterm Examination ( Chapters11-15,18,22)</b>	
<b>11</b> <b>Mar 11-15</b>	<b>Spring Break</b>	
<b>12</b> <b>Mar 18-22</b>	Auditing the <b>Disbursements cycle</b> -test of controls	Chapter 16

<b>13</b> <b>Mar 25-29</b>	Auditing the <b>Disbursements cycle</b> -substantive tests	Chapter 17
<b>14</b> <b>April 1-5</b>	Auditing <b>Capital Accounts &amp; Retained Earnings/ Cash</b>	Chapters 19/20
<b>15</b> <b>April 8-12</b>	<b>Completion of the Audit</b>	Chapter 21
<b>16</b> <b>April 15-19</b>	<b>Assurance Services: Attest Engagements</b>	Chapter 23, Handbook Sections 5025,5805,5815, 8100,8200,8500,8600, 9100 9200
<b>17</b> <b>April 22-26</b>	<b>Assurance Services: Direct Reporting Engagements and Business Advisory</b>	Chapter 24
<b>18</b> <b>April 29- May 3</b>	<b>Fraud</b>	Guest Speaker
<b>19</b> <b>May 6-10</b>	<b>Review</b>	
<b>20</b> <b>May 13-17</b>	<b>Review</b>	
<b>21</b> <b>May 21-24</b>	<b>Final Examination</b>	



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Week /Date	Assignments
1 Jan 2-4	None
2 Jan 7-11	None
3 Jan 14-18	22-15,22-16, 22-24
4 Jan 21-25	11-22,11-24,11-30
5 Jan 28-Feb 1	12-21,12-25,12-30
6 Feb 4-8	13-14,13-15,Case 13-21
7 Feb 11-15	14-19,14-22,14-24
8 Feb 18-22	15-17,15-18,15-25
9 Feb 25-Mar 1	18-17,1-18,18-23
10 Mar 4-8	Midterm Examination
11 Mar 11-15	Spring Break

<b>12</b> <b>Mar 18-22</b>	None
<b>13</b> <b>Mar 25-29</b>	16-19,16-20,16-23
<b>14</b> <b>April 1-5</b>	17-18,17-21,17-25
<b>15</b> <b>April 8-12</b>	19-20,20-18,19-29,20-19,20-24
<b>16</b> <b>April 15-19</b>	21-22,21-24
<b>17</b> <b>April 22-26</b>	23-26,23-27,23-32
<b>18</b> <b>April 29- May 3</b>	24-16,24-17,24-21
<b>19</b> <b>May 6-10</b>	None
<b>20</b> <b>May 13-17</b>	Review
<b>21</b>	<b>Final Examination</b>

*Please note that assignments are to be typed and ready for collection at the start of the applicable class. Additional problems and case studies will be assigned and discussed during the labs. Examinations are to be written on the dates and times specified by the timetabler.*

**You will be assigned into groups during the term. Your group will be asked to research and present two in-class presentations. Further information will be provided in late January.**