



A POLYTECHNIC INSTITUTION

School of Business

Program: Financial Management

Option: Accounting Degree

FMGT 7310
Advanced Auditing

Start Date:	September 7, 2004	End Date:	December 14, 2004
Total Hours:	45	Total Weeks:	15
Hours/Week:	3	Lecture:	2
		Lab:	1
Term/Level:	Deg	Course Credits:	3
Shop:		Seminar:	
		Other:	

Prerequisites

Course No.	Course Name
FMGT 4310	Auditing 2

FMGT 7310 is a Prerequisite for:

Course No.	Course Name
FMGT 8910	Integrative Business Management Practices

v **Course Description**

This course addresses issues and challenges faced by the auditing profession in today's environment including the assessment or risk on an audit, the use of computer technology in completing the audit file, and the increasing litigation against the profession. Students will be expected to use the assigned textbook and other sources to research selected topics. Case studies will be used extensively.

v **Detailed Course Description**

- Analyze auditing situations in a rational and systematic way and recommend a suitable course of action to clients.
- Develop written and oral communication skills.
- Develop teamwork skills in the context of an audit team.

v **Evaluation**

Final Examination	45%
Mid-term Examinations (2)	40%
Oral Presentations/Participation	<u>15%</u>
TOTAL	100%

v **Course Learning Outcomes/Competencies**

Upon successful completion, the student will be able to:

1. Analyze and understand the environment surrounding an audit engagement including the identification of the users of the financial statements and the potential legal exposure to the auditor.
2. Identify and solve problems in unfamiliar and changing situations.
3. Make decisions under stressful situations.
4. Develop meaningful and practical solutions that respond to users' needs.
5. Communicate clearly and effectively.

During the course students will be required to:

1. Prepare a planning memorandum.
2. Analyze risk.
3. Establish materiality levels.
4. Evaluate the appropriateness of evidence.
5. Complete selected sections of an audit file using CASEWARE.
6. Assess the ethical ramifications of their decisions.
7. Exercise professional judgment in situations encountered in an audit file.

v **Verification**

I verify that the content of this course outline is current.

Scott Sinclair, B.Comm., CA

August 25, 2004

Authoring Instructor

Date

I verify that this course outline has been reviewed.

Allan Cobbett, Dipl.T.,LL.B.,M.B.A.,C.M.A

Date

I verify that this course outline complies with BCIT policy.

Tim Edwards, Dipl. T., M.B.A., C.M.A.

Dean/Associate Dean

Date

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

v **Instructor(s)**

Marina Cutler, CA

Office Location:
Office Hrs.:

Office Phone: 604-899-3234
E-mail Address: marina@novuscom.net

v **Learning Resources**

Required:

Knapp, Michael C., *Contemporary Auditing Real Issues & Cases*, 5th Edition, South-Western Thomson Learning

Recommended:

- Introductory Auditing Textbook
- Professional Accounting Magazines
- Access to CICA Handbook

v **Information for Students**

I.D. Required In Exam Halls: Effective December 2000, students will be required to produce photo-identification for admittance to examination halls. Photo I.D. must be placed on the desk while writing the exam, for inspection by invigilators. Students should bring a BCIT OneCard or alternatively two pieces of identification, one of which must be government photo I.D. such as a drivers license. Please see BCIT Policy #5300, Formal Invigilation Procedures.

Attendance: Attendance requirements will be enforced as per the BCIT policy on pages 4 and 5 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.

Assignments: Late assignments, lab reports or projects will **not** be accepted for marking. Assignments must be done on an individual basis unless otherwise specified by the instructor.

Makeup Tests, Exams or Quizzes: There will be **no** makeup tests, exams or quizzes. If you miss a test, exam or quiz, you will receive zero marks. Exceptions may be made for **documented** medical reasons or extenuating circumstances. In such a case, it is the responsibility of the student to inform the instructor **immediately**.

Ethics: BCIT assumes that all students attending the Institute will follow a high standard of ethics. Incidents of cheating or plagiarism may, therefore, result in a grade of zero for the assignment, quiz, test, exam, or project for all parties involved and/or expulsion from the course.

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 4 and 5 of the current BCIT Calendar.)

Illness: A doctor's note is required for any illness causing you to miss assignments, quizzes, tests, projects, or exam. At the discretion of the instructor, you may complete the work missed or have the work prorated.

Attempts: Students must successfully complete a course within a maximum of three attempts at the course. Students with two attempts in a single course will be allowed to repeat the course only upon special written permission from the Associate Dean. Students who have not successfully completed a course within three attempts will not be eligible to graduate from the appropriate program.

Course Outline Changes: The material or schedule specified in this course outline may be changed by the instructor. If changes are required, they will be announced in class.

Schedule

Number/ Week of	Outcome/Material Covered	Reference/Reading
1/2 (Sept 7/14)	INRODUCTION/FUNDAMENTALS <ul style="list-style-type: none"> • Generally Accepted Auditing Standards • Financial Statement Assertions • Fundamental Concepts in Auditing • The Importance of Evidence • Audit Reports 	CICA Handbook Sections 5000, 5025, 5100 5101, 5300, 5301, 5303, 5305, 5360, 5400, 5510
3 (Sept 21)	ISSUES FACING THE PROFESSION <ul style="list-style-type: none"> • Proliferation of Standards and Guidelines • Litigation Against the Profession • Specialization Within the Profession • The Expectation Gap/What the Auditor can Provide Versus What the Public expects from the Auditor • Protection of the Public (Ethical Considerations) 	CICA Handbook Sections 5020, 5135, 5136
4 (Sept 28)	USE OF ANALYTICAL PROCEDURES AND AUDIT PLANNING <ul style="list-style-type: none"> • Planning • Determination of Materiality • Dealing with Clients 	CICA Handbook Sections 5130, 5140, 5145, 5150, Assurance Guideline 31
5 (Oct 5)	EVIDENCE <ul style="list-style-type: none"> • How much? • What type? • Proper Documentation • All Assertions must be supported • Importance of Professional Judgment INTERNAL CONTROLS <ul style="list-style-type: none"> • How to Assess? • How to Test? • Effect on Audit Procedures 	CICA Handbook Sections 5200, 5205, 5210, 5220
6 (Oct 12)	INFORMATION TECHNOLOGY <ul style="list-style-type: none"> • How has it Affected the Profession? • Use of Generalized Software MID TERM EXAM – 1.5 HOURS	CICA Handbook EDP Auditing Guidelines, EDP-1, EDP-2, EDP-3
7 (Oct 19)	HIGH RISK AUDIT ENGAGEMENTS	Selected Cases
8/9/10/11 (Oct 26, Nov 2, 9, 16)	INTRODUCTION TO CASEWARE <ul style="list-style-type: none"> • Computerized Working Papers • In Class Presentations 	CASE Material to be distributed in class
12/13 (Nov 23, 30)	HIGH RISK AUDIT ENGAGEMENTS MID TERM EXAM – 1.5 HOURS	Selected Cases

Number/ Week of	Outcome/Material Covered	Reference/Reading
14 (Dec 7)	WHO WAS REALLY TO BLAME? A critical review of a high profile audit	Selected Cases
15 (Dec 14)	EXAM—3 HOURS-CASE STUDIES	



BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY
Operating Unit: Business
Program: Financial Management
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Assignment Schedule

**FMGT 7310
Advanced Auditing**

Week	Assignment
1	Case 4.3 - Suzette Washington, Accounting Major
2	Case 1.1 - Enron
3	Case 4.1- Creve Couer Pizza Case 4.2 - Jamaica Water Properties
4	Case 1.5- Leslie Fay
5	Case 3.2 Howard Street Jewellers Practice Exam
6	MID TERM EXAM- 1.5 HOURS Case 3.5 – Goodner Bros Inc.
7	Case 1.2 - LIVENT
8	Computer Workshop
9	Computer Workshop In Class Presentations
10	Computer Workshop In Class Presentations
11	Computer Workshop In Class Presentations
12	Case 2.6 – Giant Stores Practice Exam
13	MID TERM EXAM-1.5 HOURS Case 2.2 Flight Transportation
14	Case 1.9 ZZZ Best
15	FINAL EXAM (3 HOURS)

Please note that other problems/ cases will be discussed or assigned in class.