



Course Outline

BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY

Operating Unit: Business

Program: Financial Management

Option: Accounting Degree

FMGT 7310

Advanced Auditing

Start Date:

End Date:

Course Credits: 3

Term/Level: Degree

Total Hours: 45

Total Weeks: 15

Hours/Week:	Lecture: 2	Lab: 1	Shop:	Seminar:	Other:
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Prerequisites

Course No.	Course Name
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FMGT 4310	Auditing 2
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FMGT 7310 is a Prerequisite for:

Course No.	Course Name
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FMGT 8910	Integrative Business Management Practices
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Course Calendar Description

This course addresses issues and challenges faced by the auditing profession in today's environment including the assessment of 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.

Course Goals

- 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.

Evaluation

Final Examination	60%
Case Analysis	20%
Research Project and Written Assignments	10%
Oral Presentations	10%
TOTAL	100%

Course Learning Outcomes/Competencies

Having successfully completed this course, students should have the ability (skill) 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. Often there is incomplete information and/or strict reporting deadlines.
4. Develop meaningful and practical solutions that respond to users' needs.
5. Communicate clearly and effectively.

In addition, students will:

1. Prepare a planning memorandum.
2. Analyze risk on different audit engagements.
3. Establish materiality levels.
4. Evaluate the type of evidence available to the auditor.
5. Utilize a computer software package in the preparation of an audit file (CASEWARE).
6. Analyze and assess the ethical ramifications of their decisions.
7. Research a topic of issue facing the profession.
8. Exercise professional judgement in situations involving uncertainty.
9. Identify the steps necessary in opening a small public practice office.

Course Content Verification

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

Program Head/Chief Instructor

December, 1998

Date

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



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FMGT 7310
Advanced Auditing

Instructor(s)

Scott Sinclair, B.Comm., C.A. Office No.: SE6 321

Office Hrs.: Wed. 1:30–2:30

Fri. 9:30–10:20

Office Phone: 451–7057

Home Phone: 263–1313

E-mail Address:

Learning Resources

Required:

- Robertson, Smieliauskas, *Auditing and Other Assurance Engagements*. (First Canadian Edition). McGraw–Hill Ryerson.
- CICA Handbook (Volume II)

Recommended:

- Introductory Auditing Textbook
- Professional Accounting Magazines

BCIT Policy Information for Students

Conduct and Attendance:

Refer to pages 1 and 2 of the current BCIT calendar.

1. Conduct is outlined on page 1.
2. Attendance – attendance requirements will be enforced as per the BCIT policy on page 2 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 student 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 1 and 2 of the current BCIT calendar.)



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Schedule

FMGT 7310

Advanced Auditing

Week of/ Number	Outcome/Material Covered	Reference/ Reading
1/2	FUNDAMENTALS <ul style="list-style-type: none">• Generally Accepted Auditing Standards• Financial Statement Assertions• Fundamental Concepts in Auditing• The Importance of Evidence• Audit Reports	Chapters 1, 2, 3 & 4 CICA Handbook Sections 5000, 5025, 5100 5101, 5300, 5301 5303, 5305, 5360, 5400, 5510
3	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)	Chapters 15, 16 & 18 CICA Handbook Sections 5020, 5135, 5136
4	YOU'VE OPENED AN OFFICE – SECURED YOUR FIRST LARGE CLIENT – NOW WHAT? <ul style="list-style-type: none">• Planning• Determination of Materiality• Dealing with Clients	Chapter 5 CICA Handbook Sections 5130, 5140, 5145 5150, Audit Guideline 7
5	EVIDENCE <ul style="list-style-type: none">• How Much?• What Type?• Properly Documented• Need to Support an Assertion• Importance of Professional Judgement INTERNAL CONTROLS <ul style="list-style-type: none">• How to Assess?• How to Test?• Effect on Audit Procedures	Chapter 6 CICA Handbook Sections 5200, 5205, 5210 5220
6	INFORMATION TECHNOLOGY <ul style="list-style-type: none">• How has it Affected the Profession?• Use of Generalized Software	Chapter 8 CICA Handbook EDP Auditing Guidelines, EDP-1, EDP-2, EDP-3
7/8/9	INTRODUCTION TO CASEWARE <ul style="list-style-type: none">• Computerized Working Papers	CASE Material to be distributed.

Week of/ Number	Outcome/Material Covered	Reference/ Reading
10	SO YOUR CLIENT CANNOT AFFORD AN AUDIT? CAN YOU SUGGEST SOMETHING ELSE? <ul style="list-style-type: none"> • Review Engagements • Compilation Engagements • Special Reports 	Chapter 14 CICA Handbook Sections 5800, 5805, 8500 8100, 8200, 8500 8600, 9100, 9200
11	RESOLVING AUDIT PROBLEMS <ul style="list-style-type: none"> • Everything was going smoothly until... • You are the Partner – the buck stops with you – make the call. 	Selected Cases
12/13	CASEWARE CONTINUED	CASE Material to be distributed
14	REVIEW	
15	EXAM — 3 HOURS	

ASSIGNMENT SCHEDULE*

Week of/ Number	Assignment
1	NONE
2	Problems 3.32, 3.34, 3.42
3	Problems 15.26, 15.29, 16.32
4	Problems 5.41, 5.43
5	Problems 6.51, 6.56
6	Problems 8.50, 8.52, 8.54
7	Computer Case in Class
8	Computer Case in Class
9	Computer Case in Class
10	Problems 14.41, 14.46, 14.47
11	Selected Cases to be handed out in class
12	Computer Case in Class
13	Computer Case in Class
14	NONE
15	EXAM

* Please note that other problems may be discussed or assigned in class.