



BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY

Operating Unit: Business
Program: Financial Management
Option: Accounting Degree

FMGT 7310
Advanced Auditing

Start Date: September 11, 2001

End Date: December 11, 2001

Course Credits: 3
Total Hours: 45
Total Weeks: 15

Term/Level: Degree

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

Course No.	Course Name:
FMGT 4310	Auditing 2

FMGT is a Prerequisite for:

Course No.	Course Name
FMGT 8910	Integrative Business Management Practices

Course Calendar 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.

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	55%
Case Analysis	30%
Oral Presentations/Participation	<u>15%</u>
TOTAL	100%

Course 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

September , 2001
Date

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



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Instructor(s)

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	Office Hrs.: Tue. 11:30-12:15	Home Phone: 263-1313
	Tue. 1:30- 2:20	E-mail Address: Scott_Sinclair@bcit.ca

Learning Resources

Required:

- Knapp, Michael C., *Contemporary Auditing Real Issues & Cases*, 4th Edition, South-Western Thomson Learning

Recommended:

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

BCIT Policy Information for Students

Conduct and Attendance:

Refer to pages 4-5 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 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.

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.)

I.D. Required In Exam Centres: All students will be required to produce photo-identification for admittance to examination centres. 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.



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Schedule
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Week of/ Number	Outcome/Material Covered	Reference/Reading
1/2	INRODUCITON/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	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	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 	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 	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 	CICA Handbook EDP Auditing Guidelines, EDP-1, EDP-2, EDP-3
7/8/9/10/11/ 12	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
13	RESOLVING AUDIT PROBLEMS	Selected Cases
14	SO YOUR CLIENT CANNOT AFFORD AN AUDIT? CAN YOU SUGGEST SOMETHING ELSE? <ul style="list-style-type: none">• Review engagements• Compilation Engagements• Special Reports	
15	EXAM—3 HOURS	



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Assignment Schedule

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Week of/Number	Assignment
1	NONE
2	Case 1.4-ZZZZ BEST COMPANY INC
3	Case 6.3-SARAH RUSSELL, STAFF ACCOUNTANT Case 7.2-WHEN AUDITORS BECOME LOBBYISTS
4	Case 1.9-FUND OF FUNDS, LTD Case 2.2-FLIGHT TRANSPORTATION CORPORATION
5	Case 1.3-UNITED STATES SURGICAL CORPORATION Case 3.6-GOODNER BROTHERS, INC.
6	CASE 3.2-HOWARD STREET JEWELERS, INC IN CLASS CASE- 1.5 HOURS.
7	Computer Case in Class
8	Computer Case in Class
9	Computer Case in Class
10	Computer Case in Class
11	Computer Case in Class
12	Computer Case in Class
13	Case 1.6-CRAZY EDDIE, INC., IN CLASS CASE-1.5 HOURS
14	Case 1.12-REGINA COMPANY Case 4.5-OAK INDUSTRIES, INC.
15	EXAM(CASES- 3 HOURS)

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