



Course Outline

BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY

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

FMGT 7310
Advanced Auditing

Start Date: January 2002

End Date: April 2002

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

Term/Level: Degree

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

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 of risk, 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 casebook 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	40%
Case Analysis (3 submissions)	40%
Oral Presentations & class participation	<u>20%</u>
TOTAL	100%

Course Outcomes/Competencies

Having successfully completed this course, students should have the ability (skill) to:

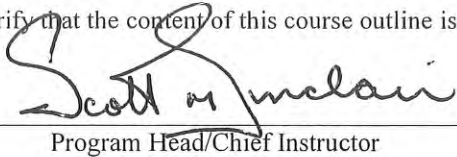
1. Analyze and understand the environment surrounding an audit engagement including the identification of the users of the financial statements and the potential legal exposure to the auditor.
2. Identify and solve problems in unfamiliar and changing situations.
3. Make decisions under stressful situations. 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 or issue facing the profession.
8. Exercise professional judgment 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 2001

Date

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



BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY

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

FMGT 7310
Advanced Auditing

Instructor(s)

Scott Sinclair, B. Comm., C.A.	Office No.: SE6 321	Office Phone: (604) 451-7057
	Office Hrs.: Tue. 1030-12:20	Home Phone: (604) 263-1313
	Thurs. 11:30-12:20	E-mail Address: Scott_Sinclair@bcit.ca
Marina Cutler, B.Comm., C.A.	By appointment	
	Office No. SE6 321	Office Phone: (604) 451-7057
	Office Hrs.: By appointment	E-mail Address: Marina_Cutler@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—is 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.)



BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY

Operating Unit: Business

Program: Financial Management

Option: Accounting Degree

Schedule

**FMGT 7310
Advanced Auditing**

Week Number/Date	Outcome/Material Covered	Reference/Reading
1 January 7	INTRODUCTION TO THE COURSE	Case study in class
2 January 14	FUNDAMENTALS <ul style="list-style-type: none"> • Generally Accepted Auditing Standards • Financial Statement Assertions • Fundamental Concepts in Auditing • The Importance of Analytical review 	CICA Handbook Sections 5000, 5025, 5090, 5100 5101, 5300, 5301, 5303, 5400, 5510
3 January 21	ISSUES FACING THE PROFESSION <ul style="list-style-type: none"> • Proliferation of Standards and Guidelines • Litigation Against 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 January 28	AUDITING HIGH RISK CLIENTS <ul style="list-style-type: none"> • Planning • Determination of Materiality • Dealing with Clients 	CICA Handbook Sections 5130, 5140, 5145, 5150, Audit Guideline 7
5 February 4	EVIDENCE <ul style="list-style-type: none"> • How much? • What type? • Properly Documented • Need to Support an Assertion • Importance of Professional Judgment 	CICA Handbook Sections 5200, 5205, 5210, 5220

Week Number/ Date	Outcome/Material Covered	Reference/Reading
6 February 11	INTERNAL CONTROLS <ul style="list-style-type: none"> • How to Assess? • How to Test? Effect on Audit Procedures	Selected Cases
7 February 18	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
8/9/10/11 Feb 25, Mar 4, 11,18	INTRODUCTION TO CASEWARE <ul style="list-style-type: none"> • Computerized Working Papers 	CASE Material to be distributed.
12 March 25	LARGE-SCALE EARNINGS MANIPULATION SCHEMES	Selected Cases
13 April 1	RESOLVING AUDIT PROBLEMS	Selected Cases
14 April 8	IN-CLASS PRESENTATIONS	
15 April 15	EXAM—3 HOURS (CASE STUDIES)	



BRITISH COLUMBIA INSTITUTE OF TECHNOLOGY
Operating Unit: Business
Program: Financial Management
Option: Accounting Degree

Assignment Schedule

**FMGT 7310
Advanced Auditing**

Week of/Number	Assignment
1	Cases assigned and completed in class
2	Cases assigned and completed in class
3	Cases and problems assigned in class
4	Case to be written in class and submitted (10%)
5	Cases assigned and completed in class
6	Cases assigned and completed in class
7	Cases assigned and completed in class
8	Caseware
9	Caseware (Case to be handed in)(15%)
10	Caseware
11	Caseware
12	Case to be written in class and submitted (15%)
13	Cases assigned and completed in class
14	In class presentations
15	EXAM (40%)

Cases have been pre-selected and chosen for each class. In order to make our classroom discussions as real as possible, please do not preread cases unless instructed to do so. Exam and class written cases must be written on the dates specified in this outline. Throughout the course you and/or a group to which you are assigned will be asked to prepare and present information for the class.