



A POLYTECHNIC INSTITUTION

School of Business

Program: Financial Management

Option: Accounting Degree

FMGT 7310
Advanced Auditing**Start Date:** January 6, 2003**End Date:** April 14, 2003**Total Hours:** 45 **Total Weeks:** 15**Term/Level:** Deg **Course Credits:** 3**Hours/Week:** 45 **Lecture:** 2 **Lab:** 1**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

■ 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.

■ 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.

■ Evaluation

Final Examination	55%	Comments:
Case Analysis	30%	
Oral Presentations/Participation	15%	
TOTAL	100%	

■ 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. 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:

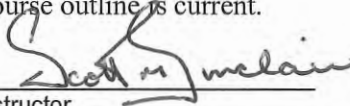
1. Prepare a planning memorandum.
2. Analyze risk on different audit engagements.
3. Establish materiality levels.
4. Evaluate the type of evidence available to the auditor.
5. Utilize a computer software package in the preparation of an audit file (CASEWARE).
6. Analyze and assess the ethical ramifications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

■ **Verification**

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

Scott Sinclair, B.Comm., CA

Authoring Instructor



January 3, 2003

Date

I verify that this course outline has been reviewed.

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



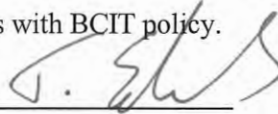
January 3, 2003

Date

I verify that this course outline complies with BCIT policy.

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

Dean/Associate Dean



January 3, 2003

Date

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

■ Instructor(s)

Marina Cutler, CA

Office Location:

Office Hrs.:

Office Phone: 604-899-3234

E-mail Address: marina@novus-tele.net

■ 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

■ 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

Week of/ Number	Outcome/Material Covered	Reference/Reading
1/2 (Jan 6/13)	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 (Jan 20)	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 (Jan 27)	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 (Feb3)	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 (Feb 10)	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 (Feb 17)	HIGH RISK AUDIT ENGAGEMENTS	Selected Cases

Week of/ Number	Outcome/Material Covered	Reference/Reading
8/9/10/11 (Feb 24/Mar 3/10/17)	INTRODUCTION TO CASEWARE <ul style="list-style-type: none">• Computerized Working Papers	CASE Material to be distributed
12 (Mar 24)	HIGH RISK AUDIT ENGAGEMENTS	Selected Cases
13,14 (Mar 31/April 7)	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 (April 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 of/ Number	Assignment
1	Case 6.3-SARAH RUSSELL, STAFF ACCOUNTANT
2	Case 1.4-ZZZZ BEST COMPANY INC
3	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	CASE 2.6-GIANT STORES CORPORATION
8	Computer Workshop
9	Computer Workshop
10	Computer Workshop
11	Computer Workshop
12	IN CLASS CASE-1.5 HOURS
13	Case 1.6-CRAZY EDDIE, INC.,
14	Case 1.12-REGINA COMPANY Case 4.5-OAK INDUSTRIES, INC.
15	EXAM(CASES- 3 HOURS)

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