



DEPARTMENT OF BUSINESS AND OFFICE ADMINISTRATION

COURSE OUTLINE – FALL 2019

AC4600 A2 (ACCT3010 ST): PRINCIPLES OF AUDITING – 3 (3-0-2) 75 Hours for 15 Weeks

INSTRUCTOR: Doris Hoveland **PHONE:** (780) 539-2824
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OFFICE HOURS: 10:00 – 11:30 Tuesday & Thursday

CALENDAR DESCRIPTION:

This course examines the role of the external auditor and financial reporting, the role of the internal auditor and internal control, and operational auditing.

PREREQUISITE/CO-REQUISITE:

Prerequisite BA2110 Intermediate Accounting I and co-requisite BA2120 Intermediate Accounting II, or equivalent

REQUIRED TEXT/RESOURCE MATERIALS:

Moroney, R., Campbell, F., Hamilton, J. & Warren, V. (2018). *Auditing: A practical approach* (3rd Can. ed.). Toronto, ON: John Wiley & Sons Canada Ltd. **This text will be used extensively.**

DELIVERY MODE(S):

The course will introduce current financial statement auditing theory and practice with an emphasis on the practical application of auditing techniques and procedures from the perspective of the auditor. The decision-making processes as it relates to auditing practice and the exercise of professional judgement in the context of practical situations will be major components of this course. Canadian Auditing Standards (CASs) and other Canadian reference materials will be used to provide this course with an emphasis on Canadian auditing theory and practice. However, due to the international development of auditing, reference to both British and American legal cases and practices will be made. International Auditing Standards (IAS) will be referenced where applicable.

The course will be offered as three hours instruction and two hours lab per week for a total of five hours per week. The allocation of instructional time and lab time will be at the instructor's discretion.

- For each topic listed, there will be a classroom lecture/discussion and a demonstration of related auditing concepts and procedures. Relevant textbook readings and problems will be assigned, and your knowledge, understanding and application of the material will be tested.
- Moodle is a learning management system used to improve communications between the student and the instructor. Important dates, documents and announcements will be posted on Moodle. Emails will be sent to the students' GPRC email.
- Unofficial student marks will be posted on Moodle. Official final grades will be communicated via myGPRC.

COURSE OBJECTIVES:

The following objectives will be covered in this course:

- Introduction to audit and assurance
- Ethical and legal background of audit
- Audit planning and audit evidence
- Sampling and risk related to audit
- Internal control evaluation and testing
- Substantive testing
- Auditing in specific financial statement cycles
- Completion of the audit and audit reporting

LEARNING OUTCOMES:

Upon successful completion of this course, the student will be able to demonstrate knowledge, understanding and application, where appropriate, of:

- The auditing profession, its history, its present and its future
- Ethics and legal liabilities of auditors
- Fundamentals of audit planning
- Audit evidence
- The role of sampling
- Overview of the risk response phase of the audit
- The importance of and the testing of clients' internal control systems
- Performance of substantive procedures
- Application of the audit process to the sales and collection cycle
- Application of the audit process to other financial statement cycles
- Completion of the audit

TRANSFERABILITY:

Athabasca University

MacEwan University

SAIT

University of Lethbridge

***Warning:** Although we strive to make the transferability information in this document up-to-date and accurate, **the student has the final responsibility for ensuring the transferability of this course to Alberta Colleges and Universities.** Please consult the Alberta Transfer Guide for more information. You may check to ensure the transferability of this course at Alberta Transfer Guide main page <http://www.transferralberta.ca> or, if you do not want to navigate through few links, at <http://alis.alberta.ca/ps/tsp/ta/tbi/onlineSearch.html?SearchMode=S&step=2>

**** Grade of D or D+ may not be acceptable for transfer to other post-secondary institutions. Students are cautioned that it is their responsibility to contact the receiving institutions to ensure transferability.**

EVALUATIONS:

Case Assignments	20%
Term Tests	45%
Final Examination	<u>35%</u>
Total	100%

GRADING CRITERIA:

Please note that most universities will not accept your course for transfer credit **IF** your grade is **less than C-**.

Alpha Grade	4-point Equivalent	Percentage Guidelines	Alpha Grade	4-point Equivalent	Percentage Guidelines
A+	4.0	90-100	C+	2.3	67-69
A	4.0	85-89	C	2.0	63-66
A-	3.7	80-84	C-	1.7	60-62
B+	3.3	77-79	D+	1.3	55-59
B	3.0	73-76	D	1.0	50-54
B-	2.7	70-72	F	0.0	00-49

COURSE SCHEDULE / TENTATIVE TIMELINE:

Week Beginning	Topic	Read
September 4 (Wed)	Introduction and Overview of Audit and Assurance	Chapter 1
September 9	Ethics, Legal Liability and Client Acceptance	Chapter 2
September 16	Audit Planning I	Chapter 3
September 23	Audit Planning II	Chapter 4
September 30	Audit Evidence	Chapter 5
October 7	Sampling and Overview of the Risk Response Phase of the Audit	Chapter 6
October 14	Understanding and Testing the Client's System of Internal Controls <i>Thanksgiving Day – No Classes (Oct 14)</i>	Chapter 7
October 21	Execution of the Audit – Performing Substantive Procedures	Chapter 8
October 28	Auditing Sales and Receivables	Chapter 9
November 4	Auditing Purchases, Payables, and Payroll	Chapter 10
November 11	Auditing Inventories and Property, Plant, and Equipment <i>Fall Break – No Classes (Nov 11)</i>	Chapter 11
November 18	Auditing Cash and Investments	Chapter 12
November 25	Completing and Reporting on the Audit	Chapter 13
December 2	Review	
December 11 – 20	FINAL EXAM (TBA)	All Chapters

STUDENT RESPONSIBILITIES:

Group Project:

The group project is a series of case assignments that should be treated as professional submissions or presentations to either a supervisor or client. Therefore, assignments should be typed, contain proper spelling and grammar, be in the appropriate format for accounting statements, and communicate the required information in an efficient effective manner. Marks may be deducted if an assignment does not meet the above criteria.

In-Class Assessments

To gauge your understanding of the course material, a series of in-class assessments will be scheduled after every second chapter. Absences during an in-class assessment will earn a grade of zero.

Quizzes

It is anticipated that there will be three quizzes given throughout the semester. Unexcused absences during a quiz will earn a grade of zero. For excused absences, the weighting of the quiz may be transferred to the final exam at the instructor's discretion.

Attendance:

Students are expected to attend all scheduled classes, arrive on time, and remain for the duration of the activities. Arriving late or leaving early is disruptive to the entire class.

Cell Phones:

The use of cell phones during class time is unprofessional and distracting to the instructor and fellow students. Texting during class is therefore strictly prohibited. Cell phones must be either turned off or set to silent mode.

Recording:

Recording lectures or taking photos in class is prohibited unless advance permission is obtained from the instructor and any guest presenter(s). In the event permission is granted, such recordings may only be used for individual study, and may not be reproduced, transferred, distributed or displayed in any public manner.

STATEMENT ON PLAGIARISM AND CHEATING:

Cheating and plagiarism will not be tolerated and there will be penalties. For a more precise definition of plagiarism and its consequences, refer to the Student Conduct section of the College Admission Guide at <http://www.gprc.ab.ca/programs/calendar/> or the College Policy on Student Misconduct: Plagiarism and Cheating at <http://www.gprc.ab.ca/about/administration/policies/>

**Note: all Academic and Administrative policies are available on the same page.

Plagiarism

Plagiarism means submitting work (words, ideas, images, or data) in a course as if it were their own work done expressly for that particular course when, in fact, it is not. Most commonly, plagiarism exists when:

- the work submitted or presented was done, in whole or in part, by an individual other than the student (this includes having another person impersonate the student or otherwise substitute the work of another for their own in an assignment, examination, or test)
- Parts of a student's work are taken from another source without reference to the original author. This includes ideas, words, and images appearing in print, digital, graphical, internet, audio and video formats
- students submit or present the work in one course which has also been submitted in another course (although it may be completely original with the student) without the prior agreement of the instructor
- Clinical or laboratory reports are falsified or fabricated.

While it is recognized that academic work often involves reference to ideas, data and conclusions of others, intellectual honesty requires that such references be explicitly and clearly noted.

Instructors may choose to use online plagiarism detection services. When students submit a paper, it is understood that they are consenting to such a procedure and that they cannot claim any copyright violation should such paper be uploaded to an online plagiarism detection database.

Cheating

Cheating on tests or examinations includes, but is not limited to, the following:

- dishonest or attempted dishonest conduct such as **speaking to other students or communicating with them under any circumstances whatsoever**
- bringing into the examination room a textbook, notebook, memorandum, other written material or mechanical or electronic device not authorized by the examiner or instructor
- writing an examination, or part of it, outside the confines of the examination room without permission to do so
- consulting any person or materials outside the confines of the examination room without permission to do so
- leaving answer papers exposed to view, or any attempts to read other students' examination papers
- tampering or attempts to tamper with examination scripts, class work, grades and/or class records; the acquisition, attempted acquisition, possession, and/or distribution of examination materials or information not authorized by the instructor
- Impersonation of another student in an examination or other class assignment.
- **Absolutely no examination materials may be removed from the examination room.** All papers, answer forms and examination question sheets must be returned to the instructor. If students leave the examination room for any reason unacceptable to the instructor, they must hand in all examination materials and it will be assumed that the examination is completed.

If students voluntarily and consciously aid another student in the commission of one of these offenses they are also guilty of misconduct. Any attempt to commit academic misconduct will bear the same consequences as if the act occurred. A student who assists another student in an act or attempted act of misconduct will also be considered to have committed an offense.