

SCHOOL OF BUSINESS

Course Outline

COURSE NAME: Assurance and Auditing II	COURSE NO.: BFIN 412
TERM: Fall 2015	COURSE CREDITS: 3
INSTRUCTOR:	E-MAIL:
OFFICE:	PHONE (LOCAL):

COURSE PREREQUISITES: 84 credits of 100 level or higher coursework including BADM 201, a minimum grade of C- in BFIN 331, ENGL 100, and CMNS 220 or CMNS 152

REQUIRED TEXT: Course Package from online site
 CICA Handbook (online access through the University Library)

From BFIN 331:

Moroney, R., Campbell, F., Hamilton, J., Warren, V. (2012). *Auditing, A Practical Approach (Canadian Edition) with Wiley Plus Access*. Mississauga: Wiley.

Beasley, M., Buckless, F., Glover, S., Prawitt, D. (2012). *Auditing Cases: An Interactive Learning Approach (5th Edition)*. Toronto: Prentice Hall

OTHER RESOURCES: Assigned readings posted on course website

Course website: bfin412.weebly.com

Password _____

COURSE FORMAT: Instructional hours: 3 hours per week x 15 weeks.

Fourth-hour activities: Online lectures, discussion board and assessment activities

Students must access Course Site and University email at least 3 times per week.

COURSE OUTCOMES:

General Outcomes: Upon successful completion of this course, students will be able to analyze and understand the environment surrounding an audit engagement including identification of the users of the financial statements and the potential legal exposure to the auditor. Students will gain a strong understanding of the control environment and the effect on audit risk. Other assurance engagements are also covered in this course.

Specific Student Outcomes: Upon successful completion of this course, students will be able to demonstrate competence in the following abilities and skills:

Ability	Learning Outcome	Levels*
COMMUNICATIONS	C1. Prepare a wide variety of reports for specific purposes using clear, communicative, and professional language.	3-4
	C2. Ensures that information is communicated to the appropriate people on a timely basis.	3-4
ANALYSIS AND DECISION-MAKING	A1. Explain the objective and purpose of an audit of financial statements.	4
	A2. Distinguish between audit, review, and compilation engagement.	2
	A3. Draft a standard auditor's report and describe its components. Explain when an auditor would issue an audit report containing an unqualified opinion, a qualified opinion, an adverse opinion, or a denial of opinion.	3-4
	A4. Resolve ethical dilemmas using a case analysis approach.	3-4
	A5. Describe the parties to which an auditor owes a duty of care, and the circumstances under which liability to third parties arise.	3-4

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	A6. Explain the various types of management assertions and their relationship to specific audit objectives.	4
	A7. Explain how an auditor determines what and how much evidence is required.	4
	A8. Explain materiality by highlighting its quantitative and qualitative aspects, and determine overall materiality for a particular audit. Understand how materiality is applied throughout the audit, and describe the types of misstatements and their impact on the audit report.	3-4
	A9. Explain the components of audit risk.	3-4
	A10. Identify the components of internal control and explain the nature of a control environment.	3-4
	A11. Explain the various control frameworks (COSO, COCO, COBIT, ITGC)	1-4
	A12. Explain the control components of an IT environment and how to give practical suggestions on improving weaknesses	2-4
	A13. Identify specific account and assertion risks and draft audit procedures to mitigate these risks	1-4
	A14. Explain the purpose various non-audit assurance engagements and understand when these engagements would be used.	1-4
	A15. Understand issues facing the public accountant.	1-4
SOCIAL INTERACTION	S1. Use a collaborative approach to problem-solving and situation analysis by working in pairs or teams in classroom activity	3
CITIZENSHIP, SUSTAINABILITY AND GLOBAL PERSPECTIVES	G1. Applies professional ethical standards.	3-4
	G2. Protects the public interest	3-4
	G3. Exercises consistently high level of professional judgement	3-4

*See Faculty of Business – Our Commitment to Assessment and Constructive Feedback for description of the six “Levels” of Comprehension.

EVALUATION PROFILE:

Assessment	% of Final Grade	Indiv./ Group	CAPabilities Assessed			
			Communi-cations	Analysis & Decision Making	Social Interaction	Citizenship, Sustainability and Global Perspective
Homework	5%	I	✓	✓		✓
Quizes	5%	I	✓	✓		✓
Group case presentation	10%	G	✓	✓	✓	✓
Individual case assignments	10%	I	✓	✓		✓
In-class case study assignments (5 x 1%)	5%	G	✓	✓	✓	✓
Midterm Exam	30%	I	✓	✓		✓
Final Exam	35%	I	✓	✓		✓
Total	100%					

COURSE CONTENT:

Wk	Date	TOPIC & REQUIRED PRE-CLASS READINGS	IN-CLASS CASE	HOMEWORK	QUIZ
1		Internal control The internal control environment <i>Readings- As posted to course site:</i> <i>Control frameworks (COSO, COCO)</i>			
2		Internal controls – Continued Designing controls for PPP, RRR and Payroll cycles <i>Readings- As posted to course site</i>	Case Study #1		
3		Internal controls – Continued IT Internal controls Control frameworks (COBIT, ITGC) <i>Readings- As posted to course site</i>		Homework #1	
4		<i>Fraud and internal controls</i>	Case Study #2		
5		Introduction- Review of auditing and key concepts <i>Readings (from course note package):</i> <i>CAS 200, CAS 300, CAS 315, CAS 320, CAS 330</i>			
6		Audit procedures <i>Readings (from course note package):</i> <i>CAS 330, 500, 501, 505, 520 CAS 402</i>		Individual case assignment due (worth 10%)	
7		Pre-midterm review ** Note: groups for projects will be announced **	Case Study #3		Quiz #1
8		Mid-term (30%)			
9		Audit reports <i>Readings (from course note package):</i> <i>CAS 700, 705</i> Communication of the auditor: <i>CAS 260, CAS 265</i>		Homework #2	
10		Review and compilation engagements <i>Readings (from course note package):</i> <i>CICA HB 8100, 8200, 9200</i> ** Start group projects- 1 hour class time will be allocated for students work on project ***	Case Study #4	Homework #3	
11		Other assurance engagements <i>Readings (from course note package):</i> <i>CAS 800, 805, 810, AUG 16</i> <i>CSAE 3416</i> <i>CICA HB 5815, 5925, 7600, 8500, 8600, 9100, 9110,</i>		Homework #4	
12		Group presentations			
13		Issues facing the profession Legal liability, Auditor independence, Quality control, SOX and CPAB <i>Readings- As posted to course Moodle site</i>	Case Study #5	Homework #5	Quiz # 2
14/15	TBA	Final Exam (cumulative)			

**Schedules/Dates: Schedules shown here may change and the exact dates and times for the exams and the quizzes will be announced in class and/or on Moodle.*

UNIVERSITY POLICIES:

Capilano University has policies on Academic Appeals (including appeal of final grade), Student Conduct, Cheating and Plagiarism, Academic Probation and other educational issues. These and other policies are available on the University website.

Grading Profile:	A+	90-100	B+	77-79	C+	67-69	D	50-59
	A	85-89	B	73-76	C	63-66	F	49 and below
	A-	80-84	B-	70-72	C-	60-62		

Emergency procedures: In the event of an emergency, students must follow the emergency procedures posted in the classrooms.

In addition to the policies of the university, the School of Business has the following policies governing the management of our classes and curriculum.

SCHOOL OF BUSINESS POLICIES:

Attendance: Regular attendance and punctuality are both essential and expected due to the nature and format of the course materials.

Professional Behaviour: Students must demonstrate a professional attitude and behaviour toward work, fellow students and their instructors. Each student should demonstrate reliability, respect for and co-operation with colleagues. A willingness to work calmly and courteously under difficult conditions as well as a determination to achieve first-class work while meeting deadlines is necessary in the Business Faculty. Students should have respect for equipment and systems. Students should display a constructive response to criticism.

English Usage: All assignments are marked for correct English usage, proofreading and formatting.

Missed Exams and Quizzes: Missed exams or quizzes will receive a grade of "0" unless PRIOR arrangements (wherever possible) are made with the instructor. Permission to make up an exam will only be given in extraordinary situations such as illness of the student or the death of a close family member. A doctor's certificate, or other proof supporting the reason for the absence, will be required. For further information, refer the "Examination & Pivotal Presentation Exemption Policy".

Examination and Pivotal Presentation Exemption Policy All students are required to appear and write their scheduled mid-term and final examinations, and to produce, by the assigned date, all pivotal presentations, individual and/or group, unless they meet one of the following criteria:

"Medical Exemption" will be considered, if:

Within the ten calendar days prior to a mid-term or final examination, or within ten days of a pivotal presentation, a student falls ill or is injured.

"Falling ill" is defined as being formally advised by a physician of the need to isolate oneself for the purpose of preventing communication of disease or infection to others; being advised by a physician of compromised immunity that requires isolating oneself from contact with others to prevent communication of disease or infection to themselves, or; being in a physical state of health which so compromises a student's ability to function, physically or cogitatively, during the ten days prior to the examination or presentation date.

"Injury", for the purpose of Exemption, is defined as sudden, unanticipated physical harm that renders the applicant physically incapable of attending campus or, in such physical distress that the student is specifically advised by their physician to abstain from appearing at their examination or presentation. Students who are prescribed medication(s) to treat their injury and who believe that the medication(s) may be impairing their ability to successfully prepare for or write their examination or presentation may provide written evidence of their concerns as verified by their physician.

"Catastrophic Personal Loss Exemption" will be considered, if:

Events occur in the student's life that are of such scope as to sufficiently distract a student from the examination or presentation preparation period, or from appearing at or adequately focusing on, the scheduled examination or presentation itself. This could include; loss of housing due to eviction, flood or fire; or death of an immediate family member * (defined as a

sibling, parent or grandparent, child, partner or spouse, parent or step-parent, aunt, uncle, niece, or nephew and first cousins.) Immediate family member does not include general acquaintances. Circumstances that may qualify as a personal loss could also include an immediate family member being diagnosed with a significantly life-altering or life-threatening illness or injury.

In all of the above scenarios, a physician's letter or other specifically requested documentation must be provided to satisfy the Instructor as to the validity of the claim, and must be provided within ten calendar days prior to the date of the exam or presentation. If an instructor agrees with the request for Exemption, the request for must be presented by the instructor to their Unit Convenor for consideration and his/her approval. No request for Exemption will be considered approved by virtue of submission, and will remain as merely "under consideration" until approved or rejected by the Unit Convenor. A student applying for an exemption for a specific section which is instructed by the Unit Convenor will have their application reviewed by the Vice-Chair or Chair of the School of Business.

Any student who applies for and receives an Exemption will be assigned a Future Examination or Presentation Date: this date is non-negotiable. Failure to appear on/at the single date and time assigned by the instructor will result in an automatic "0" grade for that exam or assignment. This "0" grade may not be appealed or contested, and will not be changed.

Copyright Policy:

Students are expected to familiarize themselves with and abide by the University's Copyright Policy. The University's Copyright Policy is published in the University website.

Cheating and Plagiarism:

Cheating is an act of deceit, fraud, distortion of the truth, or improper use of another person's effort to obtain an academic advantage. Cheating includes permitting another person to use one's work as their own. Plagiarism is the presentation of another person's work or ideas as if they were one's own. Plagiarism is both dishonest and a rejection of the principles of scholarship. Information about how to avoid plagiarism by proper documentation of sources is available in the Writing Centre and is published on the University website in the University Policies page.

Penalties for Cheating and Plagiarism:

A grade of '0' for an examination, quiz or assignment or 'F' for the course may be assigned if cheating or plagiarism has taken place. First incidents deemed by the instructor to be particularly serious or second or subsequent incidents of cheating and plagiarism will be dealt with under the provisions of the University Policy on Cheating and Plagiarism (see the University website). All students should familiarize themselves with the University Policy on Cheating and Plagiarism as such behaviour can result in suspension from the University.

Incomplete Grades:

Incomplete grades will not be given unless special arrangements have been made with the instructor prior to the date set by University Administration.

COURSE LEVEL POLICIES:

In addition to Capilano University and the School of Business policies, the following policies govern the management of this course and its curriculum.

Assessments:

Late out-of-class assessments are not accepted in this course under any circumstances (including exceptional situations). In-class assessments must be completed at scheduled times. With appropriate documentation (see below), and at the discretion of the instructor, alternate work may be assigned or marks averaged over similar work completed.

Students are expected to submit work that is neat, organized, well-formatted, properly referenced and written in proper English. Please refer also to the assessment handout.

Missed Exams & In-Class Assessments

Refer also to the School of Business policy. In the case of illness, students must submit appropriate medical documentation. This documentation must clearly identify the period of absence and contact information for the medical practitioner. Students are expected to

complete the missed work *promptly upon return to classes*. The time of any rescheduled exam will be at the discretion of the instructor and students are expected to make themselves available (including rearranging work if necessary) to accommodate the rescheduled exam.

***Programmable
Tools:***

Please note that the use of programmable items such as calculators, dictionaries, etc. is forbidden during tests, quizzes, and exams. Cell phones are not to be brought to any test, quiz, or exam.