



Management and Organizational Studies 3363B – Introduction to Auditing Course Outline

FACULTY

Instructor Name	Office Room Number	Office Hours	Phone	Email Address
Muhammad Shuja CPA, CA, MBA, B.Engg	TBA	Time: TBD OR by appointment	N/A	mshuja@uwo.ca

Section	Instructor	Day	Time	Location
550	Muhammad Shuja	Fridays	8:30 am - 11:30 am	A1

COURSE DESCRIPTION & OBJECTIVES

This course discusses the role of the auditor and provides a framework for conducting audits and related assurance engagements. Through this course, students will be provided with an approach useful to prospective auditors to follow in answering the 5 W's (who, what, where, why & how) typical audit procedures are undertaken to ultimately provide a report to a client. The course will point out the limitations of an audit and how the various levels of assurance compare. The primary emphasis of the course is on the auditor's decision-making process and the nature and amount of audit evidence needed to render an opinion on the fairness of an organization's financial statements. Topics include professional standards, rules of conduct, ethical considerations, legal liability, audit and review objectives, the audit risk model, audit evidence, development and execution of compliance and substantive audit strategies, sampling methods and audit reports.

The objectives of this course are:

- Understand Generally Accepted Auditing Standards = Canadian Auditing Standards
- Understand the role of professional judgment in the execution of an audit
- Develop the foundations of professional judgment prior to joining a CPA/CA firm
- Learn how auditors communicate to their clients and the general public
- Learn how auditors go about conducting assurance engagements
- Learn how to assess risk in planning an audit and designing tests for verification
- Learn how to use Caseware, leading audit software used by many firms in the real world
- Contemplate the role of ethical standards in conduct of audits & assurance engagements

PRE-REQUISITES

Prerequisites: Business 2257 and enrolment in the BMOS program or Major in Finance (Please Note: Unless you have the prerequisites for this course, you may be removed from this course and it will be deleted from your record. This decision may not be appealed. You will receive no adjustment to your fees in the event that you are dropped from a course for failing to have the necessary prerequisites.

TEXTBOOKS

1. Auditing - An International Approach; Smieliauskas & Bewley; Seventh Edition; McGraw Hill
2. Canadian Assurance Cases: Auditing in the Real World; Julie A. McDonald; WILEY
3. CICPA Handbook: Most recent edition of both Accounting and Assurance Handbooks [Part I & Part II] Handbooks are available online in Western Libraries. For details contact Western Libraries.

McGraw-Hill Ryerson's interactive resources will also be utilized, including exercise, videos and business case studies to apply your learnings, available via the and a companion Access Card that is included with purchase of your Smieliauskas et al textbook. The site also contains key equations computer simulation that can be utilized in self study. There are no supplementary materials to accompany the Wiley casebook

Supplemental Material (On-line and/library)

Periodicals: CPA Magazine; CA firms sites

EVALUATION

Participation and Professionalism	15%
Quiz	15% (Friday; February 15, 8:30 am - 10:30 am; Room#: In-Class;)
Midterm	30% (Friday; March 8, 8:30 am - 11:30 am; Room #: In-Class)
Final Exam (TBA)	<u>40%</u>
	100%

** Make up of the missed quiz will be conducted after final exams.

EXAMINATIONS

"Students who fail to appear for an test/examination at the time set in the timetable will not be allowed to write the examination thus missed. Students should contact immediately academic counselor with the relevant documentation.

POLICY ON SPECIAL EXAMINATIONS

- (1) Students with conflicts or students who are unable to write based on compassionate grounds (supported by appropriate documents), may apply in writing prior to the exam to the course coordinator to for special proctoring privileges to write examinations at another time.
- (2) Students involved with approved out-of-town university activities during the scheduled mid-term exam may apply to the course coordinator for special proctoring privileges to write the mid-term exam.
- (3) Students will not be excused from the writing of the mid-term exam under any circumstances.

HOW TO DO WELL IN THIS COURSE:

- 1) Come to class every class, no exceptions.
- 2) Prepare all the practice problems before the class in which they will be taken up
- 3) When preparing the practice cases, do not look at the suggested solutions first. Learning involves making mistakes and then correcting them. Please allow yourself to benefit from the process of making mistakes.
- 4) Read the Powerpoint slides before each lecture. Use the textbook when you need more detail than the Powerpoint slides contain.
- 5) Do the practice Exercises in the text book.
- 6) Stay up to date with the material, *you can't afford to fall behind.*
- 7) Do as many extra problems as you possibly can find time for.

Important: This is not a course to take for easy credit. It is extremely challenging, and there is an incredible amount of information for you to learn and remember. My number one hint is: Practice. That is also my number two and three hint.

PRACTICE PRACTICE PRACTICE

PARTICIPATION

- (1) 15% of your final grade will be a result of your contribution to class discussion.
- (2) It is expected that you will arrive on time, and be ready to work when you arrive.
- (3) I will evaluate your participation efforts after each class, taking into consideration both the quality of your participation and the quantity.
- (4) Quality is more important than quantity.
- (5) It is not anticipated that we will encounter any problems with poor preparation for class, disruptive behaviour, or frequent lateness or absences, however, should you choose to behave in any of these ways, you will experience a negative impact on your participation mark. I appreciate it very much when students advise me that they will be late, have to leave early, or will be absent from class.
- (6) The main objective of contributing to class discussion is not to be evaluated, but rather to learn, and to assist other members of the class (including the instructor) to learn.
- (7) The following might assist you in deciding on how you will contribute to the class:
 - **90% to 100% – Excellent contribution**
 - Consistent contribution to class discussions
 - Contributions indicated preparation for class by pre reading and thinking about assigned material, and making an initial attempt at assigned problems
 - Frequently explains difficult points or concepts
 - Positive direction demonstrated consistently
 - **70% to 80% – Good contribution**
 - Consistent contribution to class discussions
 - Contributions indicated preparation for class by pre reading assigned material
 - Often demonstrates the capability to explain difficult points or concepts
 - Positive direction demonstrated consistently
 - **60% – Fair contribution**
 - Contributed to class discussions
 - Contributions indicated preparation for class
 - Positive direction demonstrated most of the time
 - **40% to 50% – Poor contribution**
 - Contributed to class discussions infrequently
 - Contributions give little indication of preparation for class
 - Did not aid in developing a positive classroom atmosphere
 - **less than 40% – Unsatisfactory contribution**
 - Rarely contributed to class discussions
 - Gave no indication of preparation for class
 - Actively inhibited or impeded the course of class discussions
 - PLEASE NOTE: **Participation marks must be earned.** They are not negotiable, however it is important that you understand why you get the mark that you do, so I am always available to discuss matters like this. **You should seek feedback on how you are doing at least once during the term. You are encouraged to seek feedback multiple times during the term.**

GENERAL INFORMATION

If, on medical or compassionate grounds, you are unable to meet your academic responsibilities, i.e., unable to write term tests or final examinations or complete course work by the due date, you should follow the instructions listed below. You should understand that academic accommodation will not be granted automatically on request. You must demonstrate that there are compelling medical or compassionate grounds that can be documented before academic accommodation will be considered. Read the instructions carefully. In all cases, action must be taken at the earliest possible opportunity, preferably prior to the scheduled examination, test or assignment.

1. Check the course outline to see if the instructor has a policy for missed tests, examinations, late assignments or attendance. The course outline should include the **preferred method of contact (e-mail, phone, etc.)**.
2. Inform the instructor prior to the date of the scheduled time of the test or examination or due date of the assignment. If you are unable to contact the instructor, leave a message for him/her at the department office.
3. Bring your request for accommodation to the Academic Counselling Office, Room 2105, Social Science Centre, telephone 519 661-2011 or fax 519 661-3384. Be prepared to submit documentation of your difficulties.
4. If you decide to write a test or an examination you should be prepared to accept the mark you earn. Rewriting tests or examinations or having the value of the test or examination reweighted on a retroactive basis is not permitted.

TERM TESTS and MID-TERM EXAMS

1. If you are unable to write a term test, inform your instructor (preferably prior to the scheduled date of the test). If the instructor is not available, leave a message for him/her at the department office.
2. Be prepared, if requested by the instructor, to provide supporting documentation (see below for information on acceptable forms or documentation). Submit your documentation to the Academic Counselling Office.
3. Make arrangements with your professor to reschedule the test.
4. The Academic Counselling Office will contact your instructor to confirm your documentation.

FINAL EXAMINATIONS

1. You require the permission of the Dean, the instructor, and the Chair of the department in question to write a special final examination.
2. If you are unable to write a final examination, contact the Academic Counselling Office in the first instance to request permission to write a special final examination and to obtain the necessary form. You must also contact your instructor at this time. If your instructor is not available, leave a message for him/her at the department office.
3. Be prepared to provide the Academic Counselling Office and your instructor with supporting documentation (see below for information on documentation).
4. You must ensure that the Special Examination form has been signed by the instructor and Department Chair and that the form is returned to the Academic Counselling Office for approval without delay.

Note: Make sure you know the date, time and location of the special examination. For more information see [Examinations - Common Situations](#).

SHORT ABSENCES

If you miss a class due to a minor illness or other problems, check your course outlines for information regarding attendance requirements and make sure you are not missing a test or assignment. Cover any readings and arrange to borrow notes from a classmate.

EXTENDED ABSENCES

If you are absent more than approximately two weeks or if you get too far behind to catch up, you should consider reducing your workload by dropping one or more courses. This must be done by the appropriate deadlines. (Refer to the Registrar's website for official dates.) The Academic Counsellors can help you to consider the alternatives. At your request, they can also keep your instructors informed of your difficulties.

DOCUMENTATION

- **Personal Illness:** If you consult Student Health Services regarding your illness or personal problem, you should request a Student Medical Certificate from the physician. Once your documentation has been assessed, the academic counsellor will inform your instructor that academic accommodation is warranted.
- If you were seen by an off-campus doctor, obtain a certificate from his/her office at the time of your visit. The off-campus medical certificate form must be used.
http://www.uwo.ca/univsec/pdf/academic_policies/appeals/accommodation_medical.pdf The doctor must provide verification of the severity of the illness for the period in question. Notes stating "For Medical Reasons" are not considered sufficient.
- **In Case of Serious Illness of a Family Member:** Obtain a medical certificate from the family member's physician.
- **In Case of a Death:** Obtain a copy of the newspaper notice, death certificate or documentation provided by the funeral director.

- **For Other Extenuating Circumstances:** If you are not sure what documentation to provide, ask an Academic Counsellor.

Note: Forged notes and certificates will be dealt with severely. To submit a forged document is a scholastic offense (see below) and you will be subject to academic sanctions.

ACADEMIC CONCERNS

- You need to know if your instructor has a policy on late penalties, missed tests, etc. This information may be included on the course outline. If not, ask your instructor.
- You should also be aware of attendance requirements in courses such as Business and English. You can be debarred from writing the final examination if your attendance is not satisfactory.
- If you are in academic difficulty, check the minimum requirements for progression in your program. If in doubt, see your Academic Counsellor.
- If you are registered in Social Science courses but registered in another faculty (e.g., Arts or Science), you should immediately consult the Academic Counselling Office in your home faculty for instructions.



Appendix to Course Outlines

Prerequisite Information

Students are responsible for ensuring that they have successfully completed all course prerequisites. Unless you have either the requisites for this course or written special permission from your Dean to enrol in it, you may be removed from this course and it will be deleted from your record. This decision may not be appealed. You will receive no adjustment to your fees in the event that you are dropped from a course for failing to have the necessary prerequisites.

Conduct of Students in Classes, Lectures, and Seminars

Membership in the community of Huron University College and the University of Western Ontario implies acceptance by every student of the principle of respect for the rights, responsibilities, dignity and well-being of others and a readiness to support an environment conducive to the intellectual and personal growth of all who study, work and live within it. Upon registration, students assume the responsibilities that such registration entails. The academic and social privileges granted to each student are conditional upon the fulfillment of these responsibilities.

In the classroom, students are expected to behave in a manner that supports the learning environment of others. Students can avoid any unnecessary disruption of the class by arriving in sufficient time to be seated and ready for the start of the class, by remaining silent while the professor is speaking or another student has the floor, and by taking care of personal needs prior to the start of class. If a student is late, or knows that he/she will have to leave class early, be courteous: sit in an aisle seat and enter and leave quietly.

Please see the *Code of Student Rights and Responsibilities* at:

<http://www.huronuc.ca/CurrentStudents/StudentLifeandSupportServices/StudentDiscipline>

Technology

It is not appropriate to use technology (such as, but not limited to, laptops, PDAs, cell phones) in the classroom for non-classroom activities. Such activity is disruptive and is distracting to other students and to the instructor, and can inhibit learning. Students are expected to respect the classroom environment and to refrain from inappropriate use of technology and other electronic devices in class.

Academic Accommodation for Medical/Non-Medical Grounds

Requests for Accommodation on Medical Grounds for assignments worth 10% or more of final grade: Go Directly to Academic Advising

University Senate policy, which can be found at

http://www.uwo.ca/univsec/pdf/academic_policies/appeals/accommodation_medical.pdf,

requires that all student requests for accommodation on medical grounds for assignments worth 10% or more of the final grade be made directly to the academic advising office of the home faculty (for Huron students, the “home faculty” is Huron), with supporting documentation in the form (minimally) of the Senate-approved Student Medical Certificate found at:

http://www.uwo.ca/univsec/pdf/academic_policies/appeals/medicalform_15JUN.pdf.

The documentation is submitted in confidence and will not be shown to instructors. The advisors will contact the instructor when the medical documentation is received, and will outline the severity and duration of the medical challenge as expressed on the Student Medical Certificate and in any other supporting documentation. The student will be informed that the instructor has been informed of the presence of medical documentation, and will be instructed to work as quickly as possible with the instructor on an agreement for accommodation. The instructor will not normally deny accommodation where appropriate medical documentation is in place and where the duration it describes aligns with the due date(s) of assignment(s). Before denying a request for accommodation on medical grounds, the instructor will consult with the Dean. The instructor’s decision is appealable to the Dean.

Requests for Accommodation on Medical Grounds for assignments worth less than 10% of final grade: Consult Instructor Directly

When seeking accommodation on medical grounds for assignments worth less than 10% of the final course grade, the student should contact the instructor directly. The student need only share broad outlines of the medical situation. The instructor **may** require the student to submit documentation to the academic advisors, in which case she or he will advise the student and inform the academic advisors to expect documentation. The instructor may **not** collect medical documentation. The advisors will contact the instructor when the medical documentation is received, and will outline the severity and duration of the medical challenge as expressed on the Student Medical Certificate and in any other supporting documentation. The student will be informed that the instructor has been informed of the presence of medical documentation, and will be instructed to work as quickly as possible with the instructor on an agreement for accommodation. The instructor will not normally deny accommodation where appropriate medical documentation is in place and where the duration it describes aligns with the due date(s) of assignment(s). Before denying a request for accommodation on medical grounds, the instructor will consult with the Dean. The instructor’s decision is appealable to the Dean.

Requests for Accommodation on Non-medical Grounds: Consult Instructor Directly

Where the grounds for seeking accommodation are not medical, the student should contact the instructor directly. Apart from the exception noted below, academic advisors will not be involved in the process of accommodation for non-medical reasons.

Where a student seeks accommodation on non-medical grounds where confidentiality is a concern, the student should approach an academic advisor with any documentation available. The advisors will contact the instructor after the student’s request is received, and will outline the severity and duration of the challenge without breaching confidence. The student will be informed that the instructor has been informed that significant circumstances are affecting or have affected the student’s ability to complete work, and the student will be instructed to work as quickly as possible with the instructor on an agreement for accommodation. Before denying a request for accommodation where documentation has been submitted to an academic advisor, the instructor will consult with the Dean. The instructor’s decision is appealable to the Dean.

Statement on Academic Offences

Scholastic offences are taken seriously and students are directed to read the appropriate policy, specifically, the definition of what constitutes a Scholastic Offence, at the following Web site:

http://www.uwo.ca/univsec/pdf/academic_policies/appeals/scholastic_discipline_undergrad.pdf

Statement on Academic Integrity

The International Centre for Academic Integrity defines academic integrity as "a commitment, even in the face of adversity, to five fundamental values: honesty, trust, fairness, respect, and responsibility. From these values flow principles of behaviour that enable academic communities to translate ideals to action." (CAI Fundamental Values Project, 1999).

A lack of academic integrity is indicated by such behaviours as the following:

- Cheating on tests;
- Fraudulent submissions online;
- Plagiarism in papers submitted (including failure to cite and piecing together unattributed sources);
- Unauthorized resubmission of course work to a different course;
- Helping someone else cheat;
- Unauthorized collaboration;
- Fabrication of results or sources;
- Purchasing work and representing it as one's own.

Academic Integrity: Importance and Impact

Being at university means engaging with a variety of communities in the pursuit and sharing of knowledge and understanding in ways that are clear, respectful, efficient, and productive. University communities have established norms of academic integrity to ensure responsible, honest, and ethical behavior in the academic work of the university, which is best done when sources of ideas are properly and fully acknowledged and when responsibility for ideas is fully and accurately represented.

In the academic sphere, unacknowledged use of another's work or ideas is not only an offence against the community of scholars and an obstacle to academic productivity. It may also be understood as fraud and may constitute an infringement of legal copyright.

A university is a place for fulfilling one's potential and challenging oneself, and this means rising to challenges rather than finding ways around them. The achievements in an individual's university studies can only be fairly evaluated quantitatively through true and honest representation of the actual learning done by the student. Equity in assessment for all students is ensured through fair representation of the efforts by each.

Acting with integrity at university constitutes a good set of practices for maintaining integrity in later life. Offences against academic integrity are therefore taken very seriously as part of the university's work in preparing students to serve, lead, and innovate in the world at large.

A university degree is a significant investment of an individual's, and the public's, time, energies, and resources in the future, and habits of academic integrity protect that investment by preserving the university's reputation and ensuring public confidence in higher education.

Students found guilty of plagiarism will suffer consequences ranging from a grade reduction to failure in the course to expulsion from the university. In addition, a formal letter documenting the offence will be filed in the Dean's Office, and this record of the offence will be retained in the Dean's Office for the duration of the student's academic career at Huron University College.

All required papers may be subject to submission for textual similarity review to the commercial plagiarism detection software under license to the University for the detection of plagiarism. All papers submitted for

Tentative Weekly Schedule

such

checking will be included as source documents in the reference database for the purpose of detecting plagiarism of papers subsequently submitted to the system. Use of the service is subject to the licensing agreement, currently between The University of Western Ontario and Turnitin.com.

Computer-marked multiple-choice tests and/or exams may be subject to submission for similarity review by software that will check for unusual coincidences in answer patterns that may indicate cheating.

Personal Response Systems (“clickers”) may be used in some classes. If clickers are to be used in a class, it is the responsibility of the student to ensure that the device is activated and functional. Students must see their instructor if they have any concerns about whether the clicker is malfunctioning. Students must use only their own clicker. If clicker records are used to compute a portion of the course grade:

- the use of somebody else’s clicker in class constitutes a scholastic offence,
- the possession of a clicker belonging to another student will be interpreted as an attempt to commit a scholastic offence.

Policy on Special Needs

Students who require special accommodation for tests and/or other course components must make the appropriate arrangements with the Student Development Centre (SDC). Further details concerning policies and procedures may be found at:

http://www.sdc.uwo.ca/ssd/?requesting_acc

Attendance Regulations for Examinations

A student is entitled to be examined in courses in which registration is maintained, subject to the following limitations:

- 1) A student may be debarred from writing the final examination for failure to maintain satisfactory academic standing throughout the year.
- 2) Any student who, in the opinion of the instructor, is absent too frequently from class or laboratory periods in any course will be reported to the Dean of the Faculty offering the course (after due warning has been given). On the recommendation of the Department concerned, and with the permission of the Dean of that Faculty, the student will be debarred from taking the regular examination in the course. The Dean of the Faculty offering the course will communicate that decision to the Dean of the Faculty of registration.

Class Cancellations

In the event of a cancellation of class, every effort will be made to post that information on the Huron website, <http://www.huronuc.ca/AccessibilityInfo> (“Class Cancellations”).

Mental Health @ Western

Students who are in emotional/mental distress should refer to Mental Health @ Western <http://www.uwo.ca/uwocom/mentalhealth/> for a complete list of options about how to obtain help.

Academic Advising

For advice on course selections, degree requirements, and for assistance with requests for medical accommodation [see above], students should contact an Academic Advisor in Huron’s Student Support Services (huronsss@uwo.ca). An outline of the range of services offered is found on the Huron website at: <http://www.huronuc.ca/CurrentStudents/AcademicAdvisorsandServices>

Department Chairs and Program Directors and Coordinators are also able to answer questions about their individual programs. Their contact information can be found on the Huron website at: <http://www.huronuc.ca/Academics/FacultyofArtsandSocialScience>

Lecture	Readings: Smieliauskas and Bewley (SB) and Julie McDonald (MD)	Suggested Cases (MD)	End-of-Chapter Hwork (SB)
Jan 11 & Jan 18	Chapter 1: Introduction to Auditing Chapter 2: Auditors' Professional Roles and Responsibilities Chapter 3: Auditors' Ethical and Legal Responsibilities Chapter 4: Reports on Audited Financial Statements	MD Who's the Boss? p. 25 MD Owens p. 17 MD The Legal Letter p. 23 Past UFE Cases: TBD	EP: 1-1, 1-7 EP: 2-1, 2-2, 2-7, 2-9 EP: 3-3 DC: 3-6 EP: 4-2, 4-4, EP 4-12, 4-13, 4-18
Jan 25 Feb 1 & Feb 8	Chapter 5: Preliminary Audit Planning: Understanding Auditee's Business Chapter 6: Assessing Risk in an Audit Engagement Chapter 7: Internal Control over Financial Reporting Chapter 8: Audit Evidence and Assurance Chapter 9: Control Assessment and Testing Chapter 10: Audit Sampling	MD Sparky's Auto Parts p. 70 MD The bad guys p. 101 Past UFE Cases: TBD	EP: 5-5, DC: 5-1, 5-4 DC 6-1, 6-6 EP 7-4 DC 7-2, 7-3, 7-4 EP: 8-1, 8-7, 8-11 DC: 8-1, 8-3, 8-6 EP: 9-2, 9-5, 9-7 DC: 9-2 EP: 10-3 DC: 10-1
Feb 15	<u>Quiz</u> Coverage: Chapter 1-10 Time: 2 Hours (8:30 am - 10:30 am) Room #: In-Class Format: MCQs/Short Answers		
	<u>Feb 18, 2019 - Feb 22, 2019</u> <u>Study Break</u>		
Mar 1	Chapter 11: The Revenue, Receivables, Receipts Process and Cash Account Balance	MD Alpo p. 31 MD Joanne or Joanna? p. 51 Past UFE Cases: TBD	DC: 11-4, 11-6, 11-8, 11-10

March 8	Midterm: Time: 8:30 am - 11:30 am (3 Hours) Chapter: 1-10 (Format - Cases) Room #: TBA		
Mar 15	Chapter 12: The Purchases, Payables, and Payment Process	MD Myers p. 32 MD Icebox p. 76 Past UFE Cases: TBD	EP 12-12, 12-14 DC 12-3, 12-4, 12-7, 12-12, 12-13
Mar 22	Chapter 13: Payroll and Production Processes	MD The Red Corvette p. 55 MD Paystub Inc. p. 105 Past UFE Cases: TBD	EP 13-4 DC 13-1, DC 13-3, DC 13-4
Mar 29	Chapter 14: The Finance and Investment Process Chapter 15: Completing the audit Chapter 16: Applying Professional Judgement to Form an Audit Opinion	MD Omega properties p. 84 MD Blue Skies Aircraft p. 54 MD Help! p. 79 MD Time On Our Side p. 50 Past UFE Cases: TBD	EP: 14-1, 14-5, 14-7, 14-8, 14-9 DC 14-4, 14-5 EP 15-5 DC 15-3, 15-4, 15-5 EP 16-5 DC 16-3, 16-4
Apr 5	Chapter 17: Other Public Accounting Services and Reports: Reviews and Compilation (On Connect) Chapter 18: Professional Rules of Conduct Details and Auditors Responsibilities (On Connct) Chapter 19: The Audit of Accounting Estimates: Basic Material Related to Accounting Estimates (On Connct)	MD Tundra Diamonds p. 91 MD Speedy Loans p. 52 MD LRM Construction p. 64 Past UFE Cases: TBD	EP 17-3, 17-4, 17-5 EP 18-2 DC 18-2 Problems - 19: Even
	Final Exam - COMPREHENSIVE Date: TBA		