

Western University
DAN Management and Organizational Studies
MOS 3363 a – Introduction to Auditing

Course Outline Sections 001 & 002
September 2013-December 2013

COURSE INSTRUCTOR Michelle Loveland, CPA, CA
SSC room 4414
(519) 661-2111 x. 84931 or mlovelan@uwo.ca

CLASSES S001 Tuesday 8:30-11:30 am SSC room 3010
S002 Tuesday 12:30-3:30 pm SSC room 3026

OFFICE HOURS Monday 12:00–1:00
Tuesday 3:30-4:15
or by appointment

WEB SITE ADDRESS <http://owl.uwo.ca/portal>

DAN Management and Organizational Studies strives at all times to provide accessibility to all faculty, staff, students and visitors in a way that respects the dignity and independence of people with disabilities. Please contact the course instructor if you require material in an alternate format or if you require any other arrangements to make this course more accessible to you. You may also wish to contact services for students with disabilities (SSD) at 519-661-2111 ext 82147 for any specific question regarding an accommodation. More information about “accessibility at western” is available at: <http://accessibility.uwo.ca>

OBJECTIVES

The course objective is to introduce students to auditing concepts and procedures. Students will recognize statement assertions and the risks associated with these assertions. The course covers the audit methodology, ethics and judgment and emphasizes assessment of the internal control system and its impact on audit risk.

PREREQUISITES: MOS 3360 A/B and enrolment in 3rd or 4th year of BMOS

COREQUISITE: MOS 3361 A/B

ANTIREQUISITE: Business Administration 4497 A/B

It is the student’s responsibility for ensuring that course prerequisites have been completed successfully or special permission from the Dean obtained. Senate regulations state, “unless you have either the requisites for this course or written special permission from your Dean to enroll in it, you will 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.”

TEXTBOOK

1. Arens, A.A., Elder, R.J., Beasley, M.S. & Spletstoeser-Hogeterp, I.B., Auditing, The Art and Science of Assurance Engagements, 12th Canadian Edition, Pearson, 2013

Reference and additional readings

To review articles from CAMagazine, please visit the following link:

www.camagazine.com

Additional/alternate reading & problems may be assigned in-class or posted on OWL during the term.

EVALUATION

Assignment (due Nov. 28, 2013 at 1:00 pm)	20%
Quiz (in class Sept. 24, 2013)	5%
Mid-term exam (in class Oct. 29, 2013)	25%
Bank Confirmation activity (in-class Nov. 19, 2013)	5%
Final exam (to be determined by Registrar)	30%
Participation (weekly)	<u>15%</u>
	<u>100 %</u>

The quiz is in a multiple choice format while the mid-term and final exam is in a multiple choice and short answer format. The quiz is scheduled for 30 minutes while the mid-term will be scheduled for 2.5 hours. The quiz, mid-term and final exam are **closed book examinations. Dictionaries are not allowed into the examinations. Only non-programmable calculators will be allowed into the exams.** If you are unsure, please ask your professor to check your calculator.

Students are responsible for material covered in the lectures as well as the assigned chapters/sections in the text and assigned readings. The quiz will be held during class time. The mid-term will be scheduled in class on Tuesday, October 29, 2013. The final exam will be scheduled during the exam period. Exams will not be returned to students but may be reviewed in the instructor's office.

Students are **required to complete all components** of this course. There are no exceptions to this. Extra assignments to improve grades will **not** be allowed.

The multiple choice portion of exams will be scored using the program scan exam which examines the answer sheets for unusual coincidences in the pattern of answers given which may be indicative and used as supporting evidence of cheating.

Grades will **not** be adjusted on the basis of need. It is important to monitor your performance in the course. Remember: *you* are responsible for your grades in this course.

HANDLING OF THE COURSE

Mastery of auditing theory and practice will require considerable time reading the textbook and other resources and attempting assigned homework problems/exercises. Homework problems and exercises may be taken from the text, other course resources, or from handouts posted on the course web site or distributed in class. You must review and attempt each homework assignment prior to the class during which it will be discussed.

Reading and assignments are integral components of the course and are crucial to the attainment of course learning objectives. Many, but not all, homework problems and exercises will be reviewed in class. For those problems and exercises not reviewed in class, solutions will be posted on Web CT. You must strive to stay current with reading and assignments.

ASSIGNMENT

An audit planning assignment will be assigned later in the term. This assignment will involve the preparation of components of an audit planning report for a listed company. The report should be approximately 15 pages in length. This assignment will draw on your critical thinking, analytical and writing skills. The specific requirements of the audit planning assignment will be posted to OWL later in the term.

The assignment is due on **Thursday, November 28, 2013 at 1PM**. The assignment must be handed in on time. It can be either given to the instructor during class time or delivered to her office. **An assignment submitted late will result in a mark of 0.**

PARTICIPATION

Participation will be assessed on a weekly basis according to the following rubric:

Level	Description
0	Does not attend, or attends and is disruptive.
1	Attends class but does not contribute to the discussion.
2	Contributes by asking/answering questions and making comments. Preparation for class is evident. Questions/comments are primarily factual in nature.
3	Demonstrates good presentation for class, contributing content-based questions and answers but also offers insights and adds significant value to the discussion.

GRADE POLICY

The DAN Program has a grade policy which states that for courses in the 3000 range, the class average must fall between 70% and 75% for all sections of a course taught by the same instructor. In very exceptional circumstances only, class averages outside this range may be approved by the Assistant Director or Director. Class averages are not grounds for appeal.

ILLNESS

The University recognizes that a student's ability to meet his/her academic responsibilities may, on occasion, be impaired by medical illness. Illness may be acute (short term), or it may be chronic (long term), or chronic with acute episodes. The University further recognizes that medical situations are deeply personal and respects the need for privacy and confidentiality in these matters. However, **in order to ensure fairness and consistency for all students, academic accommodation for work representing 10% or more of the**

student's overall grade in the course shall be granted only in those cases where there is documentation supplied (see below for process) indicating that the student was seriously affected by illness and could not reasonably be expected to meet his/her academic responsibilities.

Documentation shall be submitted, as soon as possible, to the appropriate Dean's office (the Office of the Dean of the student's Faculty of registration/home Faculty) together with a request for relief specifying the nature of the accommodation being requested. These documents will be retained in the student's file, and will be held in confidence in accordance with the University's Official Student Record Information Privacy Policy [<http://www.uwo.ca/univsec/handbook/general/privacy.pdf>].

Once the petition and supporting documents have been received and assessed, appropriate academic accommodation shall be determined by the Dean's Office in consultation with the student's instructor(s). Academic accommodation may include extension of deadlines, waiver of attendance requirements for classes/labs/tutorials, arranging Special Exams or Incompletes, re-weighting course requirements, or granting late withdrawals without academic penalty.

Academic accommodation shall be granted only where the documentation indicates that the onset, duration and severity of the illness are such that the student could not reasonably be expected to complete his/her academic responsibilities. (Note: it will not be sufficient to provide documentation indicating simply that the student was seen for a medical reason or was ill.)

A form to be completed by off-campus physicians is available at: <http://counselling.ssc.uwo.ca/forms/medicalnote.pdf>

Whenever possible, students who require academic accommodation should provide notification and documentation **in advance of due dates, examinations**, etc. Students must follow up with their professors and their Academic Counselling office in a timely manner.

In the case of a final examination in the course, the student must arrange for a Special Examination or Incomplete through their Dean's office, for which you will be required to provide acceptable documentation.

If you feel that you have a medical or personal problem that is interfering with your work, you should contact your instructor and the Faculty Academic Counselling Office as soon as possible. Problems may then be documented and possible arrangements to assist you can be discussed at the time of occurrence rather than on a retroactive basis. In general, retroactive requests for grade revisions on medical or compassionate grounds will not be considered.

MAKE UP EXAMINATIONS

The student must write a make-up quiz, mid-term or assignment if the regularly scheduled exam is missed for reasons for which adequate documentation is received by the instructor. The documentation must be supplied by the Academic Counselling office. The make-up may differ in format from the original quiz, mid-term or assignment.

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.

UNIVERSITY POLICY ON CHEATING AND ACADEMIC MISCONDUCT

1. Cheating on exams will not be tolerated; students are referred to the university policy on scholastic offenses. Looking at the test of another student, allowing another student to view your exam, or obtaining information about a test in advance are all examples of cheating. Students found cheating will receive a zero (0%) on that exam. A number of safeguards will be employed to discourage cheating. For example, examination supervisors (proctors) of the tests may ask students to move to another seat during the exam, cover their paper, avert their eyes from other students' papers, remove baseball caps, etc. This is not meant as a personal affront nor as an accusation of cheating, rather as vigilant attempts at proctoring. A copy of guidelines about how to avoid cheating can be obtained from the office of the Ombudsperson, Room 251 University Community Centre, (519) 661-3573.
2. Students are responsible for understanding the nature of and avoiding the occurrence of plagiarism and other academic offenses. Students are urged to read the section on Scholastic Offenses in the Academic Calendar. Note that such offenses include plagiarism, cheating on an examination, submitting false or fraudulent assignments or credentials, impersonating a candidate, or submitting for credit in any course without the knowledge and approval of the instructor to whom it is submitted, any academic work for which credit has previously been obtained or is being sought in another course in the University or elsewhere. If you are in doubt about whether what you are doing is inappropriate, consult your instructor. A claim that "you didn't know it was wrong" will not be accepted as an excuse.
3. The penalties for a student guilty of a scholastic offense include refusal of a passing grade in the assignment, refusal of a passing grade in the course, suspension from the University, and expulsion from the University.

PROCEDURES FOR APPEALING ACADEMIC EVALUATIONS

In the first instance, all appeals of a grade must be made to the course instructor (informal consultation). If the student is not satisfied with the decision of the course instructor, a written appeal must be sent to the Assistant Program Director or Designate of the DAN Program. If the response of the Assistant Director is considered unsatisfactory to the student, he/she may then appeal to the Dean of the Faculty in which the course of program was taken. Only after receiving a final decision from the Dean, may a student appeal to the Senate Review Board Academic. A Guide to Appeals is available from the Ombudsperson's Office.

SUPPORT SERVICES

1. The Registrar's office can be accessed for Student Support Services at <http://www.registrar.uwo.ca>. Student Support Services *(including the services provided by the USC listed here)* can be reached at: <http://westernusc.ca/services/>
Student Development Services can be reached at: <http://www.sdc.uwo.ca>.
2. 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."

IMPORTANT DATES

September 9, 2013 Fall Term classes begin.
September 17, 2013 Last day to ADD a first-term half course without a penalty.
October 14, 2013 Thanksgiving Holiday
October 31 – November 1, 2013 Fall Study Break
November 5, 2013 Last day to DROP a first-term half course without penalty.
December 6, 2013 Fall Session classes end
December 7, 2013 Study Day
December 8-19, 2013 Mid-year examination period

EXAM POLICIES INFORMATION

- Bring student identification to exams
- Nothing is to be on/at one's desk during an exam except a pencil, a pen, an eraser, a non-programmable calculator and the individual's student card
- Do not wear baseball caps to exams.
- **Do not bring music players, cell phones, beepers, or other electronic devices to exams**

For the University of Western Ontario Senate Regulations, please see the Handbook of Academic and Scholarship Policy at:
<http://www.uwo.ca/univsec/handbook/>

EMAIL POLICY

For privacy reasons, students must use their Western email accounts to contact the course instructor. The course instructor will not respond to emails from non-uwo.ca addresses (e.g. hotmail.com, gmail.com, etc.).

Tentative Assignment ScheduleChanges may be made in class

Week of	Session	Topic and Assignment
Sept 9	1	Introduction The Demand for an Auditing & Assurance Profession The Public Accounting Profession Read: Ch 1 & 2 Discussion questions: 1-13, 1-21, 2-20
Sept 16	2	Professional Relationships: Ethics & Independence Legal Liability Read: Ch 3 & 4 , vignette page 47 Discussion questions: 3-20, 3-24, 4-18, 4-21
Sept 23	3	In-class quiz (Chapters 1-4) Audit Responsibilities and Objectives Read: Ch 5 & vignette page 101 Discussion questions: 5-21, 5-23, 5-29 (a & c only)
Sept 30	4	Client Risk Profile and Documentation Audit Evidence Read: Ch 6 & 8, vignettes pages 155 & 214 Discussion questions: 6-24, 6-28, 8-21, 8-24, 8-27
Oct 7	5	Materiality and Risk Read: Ch 7 & vignette page 180 Discussion questions: 7-19, 7-23, 7-25
Oct 14	6	Internal Controls & Control Risk Read: Ch 9 & vignette page 253 <i>“The top ten tech issues”</i> (CA magazine, Sept. 2013) Discussion questions: 9-33, 9-35, 9-40
Oct 21	7	Audit Strategy and Audit Program Read: Ch 10 & vignette page 307 Discussion questions: 10-22, 10-23, 10-25 Review: Chapters 5-10
Oct 28	8	MIDTERM Examination (IN CLASS) Tuesday, October 29, 2013 S001 – 8:30 – 11:20 am in SSC room 3010 S002 – 12:30 – 3:20 pm in SSC room 3026
Nov 4	9	Audit Sampling Concepts R/R/R Tests of Controls Read: Ch 11 & 12, vignettes pages 336 & 361 Discussion questions: 11-20, 11-26, 12-25, 12-32

Nov 11	10	R/R/R Completing the Test Read: Ch 13 & vignette page 409 Discussion questions: 13-20, 13-32
Nov 18	11	S001 - CLASS WILL BE HELD IN HSB 16 S002- CLASS WILL BE HELD IN SH 1310 Audit of Cash Balance Read: Ch 14 pages 454-462 and vignette page 450 Bank confirmation activity (5%)
Nov 25	12	Audit of Acquisition and Payment Cycle Audit of Inventory & Warehouse Cycle Read: Ch 16 & 17 and vignette page 535 Discussion questions: 16-21, 16-25, 16-27, 17-20, 17-23
Dec 2	13	Completing the Audit Auditor Reporting Read: Ch 19 & 20, vignette page 572 Discussion questions: 19-22, 19-25, 20-21, 20-25 Review: Chapters 11-14, 16, 17, 19, 20
		Assignment: Due 1:00 pm on November 28, 2013