



Carleton
University

Sprott
School of Business

CARLETON UNIVERSITY
SPROTT SCHOOL OF BUSINESS
BUSI 3007/R
2022/SUMMER
AUDITING I

Instructor: Chelsea McCormick, CPA, CA, MBA (she/her/hers)

Office: NI 6027

Office Hours: Please use the following link to set up a Zoom appointment:

<https://calendly.com/chelseamccormick/busi-3007-office-hours>

Or email to set up an in-person appointment

Email: chelseamccormick@cunet.carleton.ca

Modality:

Weekly content: Online, asynchronous

Tutorials: R1 Tuesdays 19:05 – 19:55 online

R2 Thursdays 13:35 – 14:25 NI 3038

Pre-requisite: BUSI 2001

Course Calendar description from the [2021/2022 University calendar](#):

Auditing I

Auditing theory, methodology and application.

Precludes additional credit for BUSI 4007 (no longer offered).

Prerequisite(s): [BUSI 2001](#).

Course Description:

The course begins with an examination of the principles and theory which underlie the practice of auditing financial statements. In particular, concepts of management assertions, audit objectives, evidence, materiality and risk, internal control, audit planning, and reporting are examined and discussed. The course also examines auditing as a professional activity, including topics such as professional judgement, ethics, legal liability, and the responsibilities of auditors to society. Other assurance engagements are also addressed.

Learning Outcomes:

By the end of this course students will be able to:

1. Explain the audit process
2. Assess risk and materiality
3. Demonstrate audit procedures appropriate to a set of circumstances
4. Understand and apply the concepts of machine learning and artificial intelligence
5. Evaluate the audit report
6. Apply professional standards, including to ethical issues and legal situations
7. Critique developments in the profession
8. Compare financial statement audits and other assurance engagements

Reading(s)/Textbook(s)/Required Materials:

Textbook: **Auditing: The Art and Science of Assurance Engagements**, Canadian 15th edition, Pearson, Arens, Elder, Beasley, Jones ISBN 9780136691976

NOTE: You are required to purchase Pearson MyLab Accounting access along with this textbook

Reference Materials:

[The CPA Canada Handbook – Accounting & Assurance](#)

[The CPA Ontario Code of Professional Conduct](#)

[The CPA Ontario Student Code of Conduct](#)

Course Requirements & Methods of Evaluation*:

* See Course Schedule section below for due dates.

Pearson MyLab Weekly Homework (best 9 of 12)	18%
Tests 1 - 4 (best 3 of 4) open book, individual	45%
Final Examination closed-book, e-proctored, individual	37%
Total	100%

Course Schedule:

<u>Date</u>	<u>Topic</u>	<u>Required Readings</u>	<u>Homework</u>
May 5	No R2 tutorial		
Week 1 May 9-13	Demand for Auditing and Other Assurance Engagements	Chapter 1	MyLab Chapter 1 and 2 homework due 5:00 pm Tues May 10
	The Public Accounting Profession and Audit Quality	Chapter 2	
Week 2 May 16-20	Professional Ethics and Legal Liability	Chapter 3	MyLab Chapter 3 homework due 5:00 pm Tues May 17
Week 3 May 23-27	Audit Report on Financial Statements	Chapter 18	MyLab Chapter 18 homework due 5:00 pm Tues May 24
	Test 1: Chapters 1-3 and 18, available 5 pm Thurs May 26 - 5 pm Sat May 28		
Week 4 May 30 - Jun 3	Audit Responsibilities and Objectives	Chapter 4	MyLab Chapter 4 and 5 homework due 5:00 pm Tues May 31
	Audit Evidence	Chapter 5	
Week 5 Jun 6-10	Client Acceptance, Preliminary Planning and Materiality	Chapter 6	MyLab Chapter 6 and 7 homework due 5:00 pm Tues Jun 7
	Risk Assessment and Inherent Risk	Chapter 7	
	Test 2: Chapters 4-7, available 5 pm Thurs Jun 9 – 5 pm Sat Jun 11		
Week 6 Jun 13-17	Understanding the Internal Control System	Chapter 8	MyLab Chapter 8 and 9 homework due 5:00 pm Tues Jun 14
	Control Risk Assessment	Chapter 9	
Jun 20 - July 1	BREAK		
Week 7 July 4-8	Risk Response: Audit Strategy, Overall Approach, and Audit Programs	Chapter 10	MyLab Chapter 10 and 11 homework due 5:00 pm Tues Jul 5
	Audit Sampling Concepts	Chapter 11	
	Test 3: Chapters 8-11, available 5 pm Thurs Jul 7 – 5 pm Sat July 9		
Week 8 July 11-15	Audit of the Revenue Cycle	Chapter 12	MyLab Chapter 12 homework due 5:00 pm Tues Jul 12
Week 9 July 18-22	Audit of the Acquisition and Payment Cycle	Chapter 13	MyLab Chapter 13 and 14 homework due 5:00 pm Tues Jul 19
	Audit of the Inventory and Distribution Cycle	Chapter 14	

<u>Date</u>	<u>Topic</u>	<u>Required Readings</u>	<u>Homework</u>
Week 10 July 25-29	Audit of the Human Resources and Payroll Cycle Audit of Cash and Cash Equivalents	Chapter 15 Chapter 16	MyLab Chapter 15 and 16 homework due 5:00 pm Tues Jul 26
Week 11 Aug 1-5	Completing the Audit	Chapter 17	MyLab Chapter 17 homework due 5:00 pm Tues Aug 2 Test 4: Chapters 12-16, available 5 pm Thurs Aug 4 – 5 pm Sat Aug 6
Week 12 Aug 8-12	Review: Audit Report on Financial Statements Other Audits, Assurance Engagements and Related Services	Chapter 18 (review) Chapter 19	MyLab Chapter 18 and 19 homework due 5:00 pm Tues Aug 9
Aug 16	No R1 tutorial		
TBD	Final exam: covering Chapters 1-19		Date to be set by university (Exam period Aug 19-25)

Contribution to Learning Goals of the Program ([BCom](#), [BIB](#)):

Program Learning Goal	Competencies Not Covered	Competencies Introduced (only)	Competencies Taught But Not Assessed	Competencies Taught and Assessed
BC1 Knowledge <i>Graduates will be skilled in applying foundational business knowledge to appropriate business contexts.</i>			X	
BC2 Collaboration <i>Graduates will be collaborative and effective contributors in team environments that respect the experience, expertise and interest of all members.</i>				X
BC3 Critical Thinking <i>Graduates will be discerning critical thinkers, able to discuss different viewpoints, challenge biases and assumptions, and draw conclusions based on analysis and evaluation.</i>				X
BC4 Communication <i>Graduates will be effective and persuasive in their communications.</i>				X
BI5 Global Awareness (BIB ONLY) <i>Graduates will be globally-minded.</i>	X			

ADDITIONAL INFORMATION

Weekly Homework

In order to encourage you to engage with the material and practice applying your knowledge, 18% of your final grade can be earned by completing homework in MyLab. There are 12 homework opportunities and your mark will be calculated based on your best 9 scores. The purpose of the grades is to provide you with a reward for keeping up with the material, which will be the biggest driver of your success on the other assessments in the course. Think of it as getting credit each week for completing recommended practice problems.

The late coursework policy does not apply to these homework assignments because of the grace that's already built into the marking scheme for these.

How to do Well in this Course

This course covers a lot of material and many students find it difficult due to it covering a lot of new concepts. Your success in this course will be linked to the amount of time you put in to reviewing the material and *engaging* with it by completing as many practice problems as you can.

There are no lectures for this asynchronous course. You may choose to review the course content by a combination of any of the following: reading the recommended textbook chapters, watching the instructor videos posted in Brightspace, reviewing the publisher's slides posted on Brightspace, referring to listed CPA Canada reference materials, etc.

You are also expected to attend the weekly tutorial and participate in the discussion of the recommended practice problems. This is a critical bridge between the weekly homework assignments (which are testing simple skills like recall) and the tests and final exam (which require more complex analysis).

Instead of spending time in lecture, it is expected that you spend time each week:

- Reading/reviewing materials
- Completing homework questions in MyLab
- Attending the tutorial prepared to discuss that week's content

Brightspace

Brightspace will be used in this course. It is critical to use this learning tool on a regular basis. We will be using Brightspace as follows:

- To communicate with students on regular basis (e-mail, announcements, etc.)
- To host Weekly Deliverables documents outlining recommended readings, deliverables, etc. each week
- To post notes of an administrative nature or updates to the course outline, if required
- To provide a link to MyLab, where homework will be completed

To access Brightspace, type in the following URL: <https://brightspace.carleton.ca>

Getting Help

When you have a question about the course material, please refer to the Ask the Instructor discussion board in Brightspace. If your question is not already answered there, then post a new question on the discussion board. I aim to respond within 24 hours (longer on weekends).

Of course if you want to discuss a sensitive issue you are encouraged to email the instructor to arrange a time to discuss the issue privately.

Late Coursework

My weekly update emails will highlight upcoming assignments that are due. You should also review the Weekly Deliverables documents regularly for reminders about the course deliverables. It contains reminders for all the assignments so that you can plan your time working on this course accordingly. Do not wait until the last minute to attempt the assessments.

The assignment deadlines afford plenty of time after the completion of related course material and as such, should be sufficient. Do not wait until the last minute to prepare for the tests. Sometimes, despite our best efforts, and for good reasons, we can't meet our deadlines. You have two days of grace that you can apply to missed deadlines. For example, a single assessment may be two days late or two assessments may each be one day late with no penalty. There is no reason required. That said, you need to email me *before the deadline* indicating that you will be late, but that you do plan on completing your test. Once the two days have been used, no further late submissions will be accepted in this course, and any late submissions at that stage will receive 0.

COVID-19 in the classroom

The ongoing COVID-19 protocols of Carleton University are listed separately in this document. Please familiarize yourself with them. You must comply with these protocols at all times while on campus.

If you as a *student* must isolate due to COVID, please do so and **do not** come to campus. If necessary due to missed coursework deadlines, fill out the COVID-19 self-declaration form which can be found here: <https://carleton.ca/registrar/cu-files/covid-19-self-declaration-form/>. Submit the form to your instructor.

Final Examination

A final examination will take place during the university scheduled final exam period. The final exam is cumulative. University policy with respect to examinations will be strictly adhered to. Supplemental and grade-raising examinations are not available.

E-proctoring

Please note that tests and examinations in this course will use a remote proctoring service provided by Scheduling and Examination Services. You can find more information at <https://carleton.ca/ses/e-proctoring/>.

The minimum computing requirements for this service are as follows:

Hardware: Desktop, or Laptop

OS: Windows 10, Mac OS 10.14, Linux Ubuntu 18.04

Internet Browser: Google Chrome, Mozilla Firefox, Apple Safari, or Microsoft Edge

Internet Connection (High-Speed Internet Connection Recommended)

Webcam (HD resolution recommended)

Note: Tablets, Chromebooks and Smartphones are not supported at this time. Windows-based tablets are not supported at this time.

Videos

If you encounter technical issues watching the videos, usually the solution is to try an alternative browser. If this does not work, contact support by emailing capture@carleton.ca. Please specify the course you are registered in and what specific video is causing issue

Course Sharing Websites

Materials created for this course (including presentations and posted notes, labs, case studies, assignments and exams) remain the intellectual property of the author(s). They are intended for personal use and may not be reproduced or redistributed without prior written consent of the author(s). This means you may not post any of the materials that were made available to you as part of this course on course-sharing websites.

Required calculator in BUSI course examinations

If you are purchasing a calculator, we recommend any one of the following options: Texas Instruments BA II Plus (including Pro Model), Hewlett Packard HP 12C (including Platinum model), Staples Financial Calculator, Sharp EL-738C & Hewlett Packard HP 10bII

Group work

The Sprott School of Business encourages group assignments in the school for several reasons. They provide you with opportunities to develop and enhance interpersonal, communication, leadership, follower-ship and other group skills. Group assignments are also good for learning integrative skills for putting together a complex task. Your professor may assign one or more group tasks/assignments/projects in this course. Before embarking on a specific problem as a group, it is your responsibility to ensure that the problem is meant to be a group assignment and not an individual one.

Grading

In accordance with the Carleton University Undergraduate Calendar (p 34), the letter grades assigned in this course will have the following percentage equivalents:

A+ = 90-100	B+ = 77-79	C+ = 67-69	D+ = 57-59
A = 85-89	B = 73-76	C = 63-66	D = 53-56
A - = 80-84	B - = 70-72	C - = 60-62	D - = 50-52
F = Below 50			

Grades entered by Registrar:

WDN = Withdrawn from the course

DEF = Deferred

Academic Regulations

University rules regarding registration, withdrawal, appealing marks, and most anything else you might need to know can be found on the university's website, here:

<http://calendar.carleton.ca/undergrad/regulations/academicregulationsoftheuniversity/>

Requests for Academic Accommodation

You may need special arrangements to meet your academic obligations during the term.

For an accommodation request, the processes are as follows:

Pregnancy Accommodation

Please contact your instructor with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist. For more details, visit the Equity Services website: carleton.ca/equity/wp-content/uploads/Student-Guide-to-Academic-Accommodation.pdf

Religious obligation

Please contact your instructor with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist. For more details, visit the Equity Services website: carleton.ca/equity/wp-content/uploads/Student-Guide-to-Academic-Accommodation.pdf

Academic Accommodations for Students with Disabilities

If you have a documented disability requiring academic accommodations in this course, please contact the Paul Menton Centre for Students with Disabilities (PMC) at 613-520-6608 or pmc@carleton.ca for a formal evaluation or contact your PMC coordinator to send your instructor your Letter of Accommodation at the beginning of the term. You must also contact the PMC no later than two weeks before the first in-class scheduled test or exam requiring accommodation (if applicable). After requesting accommodation from PMC, meet with your instructor as soon as possible to ensure accommodation arrangements are made. carleton.ca/pmc

Survivors of Sexual Violence

As a community, Carleton University is committed to maintaining a positive learning, working and living environment where sexual violence will not be tolerated, and its survivors are supported through academic accommodations as per Carleton's Sexual Violence Policy. For more information about the services available at the university and to obtain information about sexual violence and/or support, visit: carleton.ca/sexual-violence-support

Accommodation for Student Activities

Carleton University recognizes the substantial benefits, both to the individual student and for the university, that result from a student participating in activities beyond the classroom experience. Reasonable accommodation must be provided to students who compete or perform at the national or international level. Please **Accommodation for Student Activities**

contact your instructor with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist. <https://carleton.ca/senate/wp-content/uploads/Accommodation-for-Student-Activities-1.pdf>

For more information on academic accommodation, please contact the departmental administrator or visit: students.carleton.ca/course-outline

Academic Integrity

Violations of academic integrity are a serious academic offence. Violations of academic integrity – presenting another's ideas, arguments, words or images as your own, using unauthorized material, misrepresentation, fabricating or misrepresenting research data, unauthorized co-operation or collaboration or completing work for another student – weaken the quality of the degree and will not be tolerated.

Process: If an alleged violation occurs, all relevant documentation will be forwarded to the Dean. If the allegation proves true, the penalties may include; a grade of Failure on the submitted work and/or course; academic probation; a refusal of permission to continue or to register in a specific degree program; suspension from full-time studies; suspension from all studies at Carleton; expulsion from Carleton, amongst others.

For a first offence, at a minimum, the penalty assigned will normally be a zero on the submitted work and at least a minimum full grade reduction of the final course grade. For a second offence, at a minimum, the penalty assigned will normally lead to a suspension from studies.

Students are expected to familiarize themselves with and follow the Carleton University Student Academic Integrity Policy which is available, along with resources for compliance at: <https://carleton.ca/registrar/academic-integrity/>.

Sprott Student Services

The Sprott Undergraduate Student Services Office offers program advising and overall student success support. Our team is available to discuss your academic goals and your program progression plans. We can also work with you to develop strategies for success, including study skills for Business. If you experience any difficulty this term or if you would like to access support, please contact our team at bcom@sprott.carleton.ca or at bib@sprott.carleton.ca.

Centre for Student Academic Support

The Centre for Student Academic Support (CSAS) is a centralized collection of learning support services designed to help students achieve their goals and improve their learning both inside and outside the classroom. CSAS offers academic assistance with course content, academic writing and skills development. Visit CSAS on the 4th floor of MacOdrum Library or online at: carleton.ca/csas.

Important Information

- Students must always retain a copy of all work that is submitted.
- All final grades are subject to the Dean's approval.
- For us to respond to your emails, we need to see your full name, CU ID, and the email must be written from your valid CARLETON address. Therefore, in order to respond to your inquiries, please send all email from your Carleton CMail account. If you do not have or have yet to activate this account, you may wish to do so by visiting <https://carleton.ca/its/get-started/new-students-2/>

COVID-19 Information

For the most recent information about Carleton's COVID-19 response and required measures, please see the [University's COVID-19 webpage](#) and review the [Frequently Asked Questions \(FAQs\)](#). Should you have additional questions after reviewing, please contact covidinfo@carleton.ca

Please note that failure to comply with University policies and mandatory public health requirements, and endangering the safety of others are considered misconduct under the [Student Rights and Responsibilities Policy](#). Failure to comply with Carleton's COVID-19 procedures may lead to supplementary action involving Campus Safety and/or Student Affairs.
