



Carleton
UNIVERSITY

SPROTT
SCHOOL OF BUSINESS

CARLETON UNIVERSITY
SPROTT SCHOOL OF BUSINESS
BUSI 3007/R
2021/WINTER
AUDITING I

Instructor: Rebecca Drummond, CPA, CFE

Office: Online

Office Hours: Wednesdays 6-8PM by appointment only. Please contact by e-mail to set up an appointment.

Email: becky.drummond@carleton.ca

Modality: *Online (90% asynchronous and/or 10% synchronous)

All lecture material, lecture recordings, assignments and quizzes will be available at the student's preferred time. All formal examinations (midterm & final) and review sessions will be held at a common time for all students.

Course Calendar description from the 2020/2021 University calendar:

BUSI 3007 [0.5 credit]

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 (incl. technical requirements, i.e., webcam):

1. Auditing: The Art and Science of Assurance Engagements, Canadian 14th edition, Pearson, Arens, Elder, Beasley, Jones
2. The CPA Canada Handbook – *Assurance* available at <http://edu.knotia.ca.proxy.library.carleton.ca/> from on-campus computers
3. The CPA Ontario Code of Professional Conduct <https://media.cpaontario.ca/stewardship-of-the-profession/pdfs/CPA-Ontario-Code-of-professional-conduct.pdf>

CULearn

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

- To communicate with students on regular basis (e-mail, announcements, etc.)
- To post PowerPoint slides to support classroom activities
- To post problems or readings
- To post notes of an administrative nature or updates to the course outline, if required
- To administer online quizzes.

To access CULearn, type in the following URL: <https://www.carleton.ca/culearn/>

Course Requirements & Methods of Evaluation (including due dates):

Quizzes (2 x 5%) - Optional	10%
Mid-term Examination	25%
Group Project – External Audit Simulation	
Part 1 – Code of Conduct	2%
Part 2 – Audit Preparation	5%
Part 3 – Process Review / Testing of Controls	5%
Part 4 – Document Review / Testing of Details	5%
Part 5 – Audit Conclusion	5%
Total Group Project (Parts 1 – 5)	22%
MindBridge Ai University Alliance Cases (Individual)	
Cases A, B & C	3%
Individual Assignment	5%
Total MindBridge Ai University Alliance Cases	8%
Final Examination	<u>35%</u>
	100%

Satisfactory In-term Performance

The requirement for Satisfactory In-term Performance is set at 50% of all, not each, term work (i.e. quizzes, midterm examinations, group work, etc.). Note, however, that Satisfactory In-term Performance of 50% may not be sufficient to permit registration in advanced courses in the accounting program and may not be sufficient to be recognized by professional accrediting bodies.

Quizzes (2 quizzes 5 percent each) - Optional

Given the significant volume of material and number of new concepts that are introduced in this course, there are two brief quizzes scheduled. This should assist students in keeping up with the material and getting timely feedback on their progress and opportunity to test knowledge and understanding of the material. Each quiz will be approximately 30 minutes in length and consist of multiple choice and/or short/long answer questions. The completion of these quizzes is optional. If you chose to write them, your quiz grade will only count in the calculation of your final course grade if it **increases** your grade. If you chose (or cannot) write the quizzes, the final exam will be worth 45% of your grade. Requests for reconsideration of a quiz grade must be submitted in writing within 7 calendar days of the quiz date. Quizzes will be administered online via CuLearn. Instructions and details will be provided in the week prior's announcement.

Group Project – External Audit Simulation (22 percent)

The Spratt 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. You have been assigned one group project 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.

Groups of approximately five students will be originally formed the after the first week of class. Each group will participate in an external audit simulation of the company ColAlta Pipeline. Details of this project (due dates for various components of the project are indicated in the Detailed Course Schedule) will be provided on CuLearn. Written reports for each component of the project are required to be submitted in word format. These are to be submitted online by the date and time indicated in the detailed course schedule. Students are reminded to always retain a hard copy of all the work they submit. Should any conflicts or issues arise within a group over the course of the project, the student(s) are expected to discuss issues in a timely matter with the Course Instructor and/or TA.

Mindbridge Ai University Alliance Cases (8 percent)

The Spratt School of Business has partnered with MindBridge Ai to participate in the MindBridge University Alliance Program. MindBridge Ai is the global leader in applying machine learning and artificial intelligence to financial data analysis. The MindBridge Ai Auditor platform is an intuitive platform that empowers auditors to analyze financial data more efficiently, while augmenting human capacity to uncover errors and intentional misstatements in the data. The program will include hands-on case studies, where students have access to the Ai Auditor program to perform required analysis. Case studies are focused on fraud detection analysis, while reinforcing AI auditing principles. The program will require students to complete three case studies and one assignment. These cases are expected to be completed on an individual basis. Upon the completion of the assignment and receipt of grades, the student will receive a certificate of completion of the program.

Midterm Examination (25 percent)

One midterm examination is scheduled (see the detailed schedule for midterm date) and will be 2 hours in length. All assigned readings from the textbook/cuLearn and material presented in the video lectures are examinable. Upon release of the midterm grades the student will have 10 calendar days to review their results and report any discrepancies to the professor. Any discrepancies reported beyond that time may be reviewed but will not result in any change in grade. Students who miss a midterm examination and provide appropriate documentation within 5 calendar days of the midterm date may have the weighting of the midterm allocated to the final exam. There will be no deferred mid-term examination held.

Final Examination (35 percent)

A final examination will take place during the university scheduled final exam period. The date will be announced by Scheduling and Examination Services. The duration of the exam will be 3 hours. All assigned readings from the textbook/cuLearn and material presented in the video lectures are examinable. The final exam is cumulative. University policy with respect to examinations will be strictly adhered to. Supplemental and grade rising examinations are not available. Notwithstanding the marking scheme, **if the mark on the final exam is less than 45%, the final grade for the course will be an F.**

Both the midterm and the final examination must be completed in Word & Excel only. No handwritten responses will be accepted.

The exams will be conducted online via CuLearn (through Quiz and/or a downloadable word document) and will be closed-book exams subject to e-proctoring.

Organization of Files in CuLearn

The online material for each week follows a standard structure. Begin with the Required Readings folder. An outline of the requirements for the week will be provided in the weekly materials. Lecture slides are included in their own folder. Under the Lesson folder (the icon with the linked folders you will find the learning objectives for each week, all the videos for the week, and practice questions for the week. Depending on the week, there may also be assignment submission buttons and/or additional resources.

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 issues.

Student's Responsibilities with regards to deadlines

It is your responsibility to ensure that you meet (1) the quiz deadlines above (if you choose to write the mid-term), (2) the midterm date and time, (3) the assignment deadlines above (both group and individual) and (4) the final exam date and time. It's as easy as entering these in your calendar on your smart phone or paper agenda. If you send me an e-mail asking me for any sort of accommodation on any of the above, I will reply in the negative. Also, please think twice about starting a quiz attempt. When you register for this course, you are doing so on the assumption that you are fully available during the mid-term time scheduled on February and final exam period that runs from April 16 - 27 respectively. I will not accommodate any requests to write the mid-term or final exam early or late unless it is an accommodation required through Paul Menton Centre for Students with Disabilities.

Late Assignments:

To ensure fairness for all students, penalties will be applied to late assignments: Failure to submit an assignment on time will result in a penalty of twenty (20) percentage points per day up to a maximum of one day late. For example, an assignment that would normally merit a grade of 80% would receive a grade of 60% if submitted the following day. Assignments will not be accepted at all after the following day and a grade of 0% will be awarded. Given the fact assignments are open and able to be worked on at any time during the course up until the deadline, no requests for extension will be considered - this means do not wait until the last minute to attempt or submit the assignment.

How to do Well in this Course:

This course covers A LOT of material. Keeping up with the weekly material online and completing the assignments is certainly important, but making sure to prepare many practice problems on your own, using the practice problems provided and exercises in your textbook, is critical if you want to do well in this course. Please post questions in the cuLearn discussion forums if you do not understand something.

To perform well in this course, you must spend time answering the practice questions and textbook problems and checking the answers to test your understanding. To maximize your learning, you should make an honest attempt at the question before consulting the solution. Simply reading a question and then turning to the solution right away will not help you apply your knowledge to the material.

BUSI3007
DETAILED COURSE SCHEDULE

Date	Topic	Readings	Deliverables
Week of January 11, 2021	Demand for Auditing and Other Assurance Services	Required: Chapter 1	
	Audit Report on Financial Statements	Required: Chapter 19 <i>Reference:</i> CAS 700, 705, 706, 710 Loblaws Companies Limited audit report	
Week of January 18, 2021	The Public Accounting Profession and Audit Quality	Required: Chapter 2 <i>Reference:</i> CAS 200, 220, CSQC-1, 5021	
	Professional Ethics and Legal Liability	Required: Chapter 3 <i>Reference:</i> Handbook 5020, 9200	
Week of January 25, 2021	Audit Responsibilities and Objectives	Required: Chapter 4 <i>Reference:</i> CPA Ontario Code of Professional Conduct	Group Project Task #1 Due Friday January 24, 23:59
	Audit Evidence	Required: Chapter 5 <i>Reference:</i> CAS 200, 210, 250, 315, 520	
Week of February 1, 2021	Quiz 1	Chapters 1-5 and 19	Quiz 1 (Optional) Any 30 consecutive minutes between February 1, 0:00 to Saturday February 6. 23:59
	Client Acceptance, Planning, and Materiality	Required: Chapter 6 <i>Reference:</i> CAS 210, 240, 300, 315, 550, 610, 620	
	Assessing the Risk of Material Misstatement	Required: Chapter 7 <i>Reference:</i> CAS 315, 320, 450, 500	
Week of February 8, 2021	Internal Control and COSO Framework	Required: Chapter 8 <i>Reference:</i> CAS 265, 315, 330, 402, 610, CSAE 3416, 5925	Group Project Task #2 Due Friday February 12, 23:59
	Assessing Control Risks and Designing Tests of Controls	Required: Chapter 9 <i>Reference:</i> CAS 230, 500, 501, 520, 505, 610, 620	
Week of February 15, 2021	Reading week, no class or new material		
Week of February 22, 2021	Midterm – February 25th, 18:00 – 20:00	Chapters 1-9 and 19 Online Review Session: February 22nd, 18:00 – 19:30	
	Develop Risk Response: Audit Strategy and Audit Program	Required: Chapter 10 <i>Reference:</i> CAS 300, 315, 330, 520	
Week of March 1, 2021	Audit Sampling Concepts	Required: Chapter 11 <i>Reference:</i> CAS 265, 330, 500, 530	MindBridge Cases A – C Due Friday March

Date	Topic	Readings	Deliverables
	Audit of the Revenue Cycle	Required: Chapter 12 <i>Reference: CAS 240, 505, 540</i>	5, 23:59
Week of March 8, 2021	Audit of the Acquisition and Payment Cycle	Required: Chapter 13	Group Project Task #3 Due Friday March 12, 23:59
	Audit of the Inventory and Distribution Cycle	Required: Chapter 14 <i>Reference: CAS 240, 501</i>	
Week of March 15, 2021	Audit of the Human Resources and Payroll Cycle	Required: Chapter 15 <i>Reference: CAS 402, CSAE 3416</i>	MindBridge Assignment Due Friday March 19, 23:59
	Audit of the Acquisition and Repayment Cycle	Required: Chapter 16	
Week of March 22, 2021	Quiz 2	Chapters 10-16	Quiz 2 (Optional) Any 30 consecutive minutes between March 22, 0:00 to Saturday March 27, 23:59
	Audit of Cash Balances	Required: Chapter 17	
	Completing the Audit	Required: Chapter 18 <i>Reference: CAS 260, 450, 560, 570, 580, 600, 720</i>	
Week of March 29, 2021	Audit Report on Financial Statements (re-review)	Required: Chapter 19 <i>Reference: CAS 700, 705, 706, 710</i>	Group Project Task #4 Due Friday April 2, 23:59
	Other Assurance and Non assurance Services	Required: Chapter 20 <i>Reference: CAS 805, 810, OCS 3416, 5800, 5815, 5925, 7060, 8100, 8200, 8500, 8600, 9100, 9200, CSAE 3000, 3001</i>	
Week of April 5, 2021	Other Assurance and Non assurance Services	Required: Chapter 20 <i>Reference: CAS 805, 810, OCS 3416, 5800, 5815, 5925, 7060, 8100, 8200, 8500, 8600, 9100, 9200, CSAE 3000, 3001</i>	Group Project Task #5 Due Friday April 9, 23:59
Week of April 12, 2021	Review	No new material Online Review Session: TBD	
April 16 – 27, 2021	Final Exam	To be scheduled by University. Chapters 1 - 20	

1. Additional readings may be required, in which case information pertaining to the readings will be posted on CuLearn.
2. Schedule is subject to change without notice if considered necessary by the course instructor

ADDITIONAL INFORMATION

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).

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.

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 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

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 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. 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. 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 student services office, located in 710 Dunton Tower, offers academic advising, study skills advising, and overall academic success support. If you are having a difficult time with this course or others, or just need some guidance on how to successfully complete your Sprott degree, please drop in* any weekday between 8:30am and 4:30pm. Our advisors are happy to discuss grades, course selection, tutoring, concentrations, and will ensure that you get connected with the resources you need to succeed! <http://sprott.carleton.ca/students/undergraduate/learning-support/>

** Note that the office is physically closed. However, e-drop in is available between 8:30-4:30 until social distancing requirements are updated by the Province.*

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 hard 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/>
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