



The  
knowledge  
to compete

**BUSI 4009  
Auditing II  
Summer 2014**

**Instructor**

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**Course Times & Location**

Monday 1605 - 1855  
Class Location: AP132

**Prerequisites**

BUSI 2400 or COMP1008, and BUSI 3007 (with a grade of C- or better in each).  
**The School of Business enforces all prerequisites.**

**Course Description**

In-depth discussion of Business Cycle auditing, IT audit topics as well as discussion and analysis of recent developments in 3<sup>rd</sup> Party reporting, Sarbanes Oxley and Bill 198 legislation, and current IT issues and business concerns. Explanations and discussions will be supported and illustrated using examples taken from practice, authoritative pronouncements and example case studies.

**Course Objectives**

The principal aims of the course are to increase the students knowledge with respect to the following:

1. Auditing key business transaction cycles such as Revenues and Expenditures.
2. Identify the role information technology plays in a given control systems;
3. Contributes to the evaluation of IT-related elements of a given control system;
4. Uses IT to improve an existing control process;
5. Investigates the dependence of systems on third parties;
6. Evaluates the IT internal audit function; and,

7. Designs and implements IT accounting systems using commercial accounting software.

In addition, this course is also aimed at improving the students case writing and professional exam writing skills.

### **Course Materials**

#### 1. Required Text

Auditing - An International Approach, Sixth Edition  
Smieliauskas Wally J. and Bewley, Kathryn McGraw-Hill Ryerson

Various articles and guideline documents from CA Magazine and the ISACA journal. (This material is available on-line through WebCT)

#### 2. Optional Texts

Global Technology Audit Guide – Information Technology Controls, The Institute of Internal Auditors (available on-line).

Contemporary Auditing – Real Issues & Cases, Seventh Edition  
Michael C. Knapp, Nelson Canada

CICA Handbook, Toronto, Canadian Institute of Chartered Accountants.

Additional reference material may be required from time to time. Such readings will be posted through WebCT or made available in class.

### **Examinations and Grading**

Assignment/presentation	20%
Participation	5%
In Class Test – 1.5 hour test	30%
Final Examination – 3 hour exam	<u>45%</u>
	<u>100%</u>

### **Course Organization**

1. *Assignments:* There is one assignment required for this course which will include a presentation component. The assignment is due at 4pm on July 21st. Students will be provided detailed requirements in class on July 7th.

The assignments are to be completed using either Word or Excel and can be completed individually or in groups of up to 3 people.

2. *Readings:* A set of required readings is available on the course web-site. These readings have been selected to enhance the student's knowledge of the course material. Students can expect specific questions on tests and exams from the required reading materials. Optional readings are also available for students to use

as a reference material. Although questions will not be directly formulated from optional materials, the posted optional material has been selected to enhance students understandings.

3. *Practice Questions:* Self-Study practice questions will be made periodically through the duration of this course. Students are encouraged to complete these questions to test their knowledge.
4. *In Class Test:* The in-class test will test the student's comprehension of both the technical and conceptual aspects of the course and could cover any material studied to that point in the course.
5. *Final Examinations:* The final examinations will test the student's comprehension of both the technical and conceptual aspects of the course. The final examinations will be comprehensive and could cover any material studied to that point in the course.

The final exam will be formally scheduled by the registrar and the date is TBD.

Only non-programmable calculators (without alpha storage capabilities) will be permitted for tests and examinations. **A minimum grade of 45% must be obtained on the final examination to pass this course.**

6. *Missed assignments/midterm:* If the midterm or an assignment is missed for a legitimate reason, the weight for that exam/assignment will be transferred to the final examination. If the exam/assignment is missed without a legitimate reason, a grade of zero will be given for the exam/assignment.
7. *Late Assignments/Practice Set:* Late assignments WILL NOT be accepted. Assignments not handed in at the scheduled beginning of class (not when the student arrives to class) will receive a zero grade and will not be marked. See point #6 for missed assignments.
8. *Participation:* Participation marks will be based on class attendance and may also incorporate the completion of assigned work at the discretion of the instructor.

### **Group work**

When assignments are completed in groups, only one assignment should be handed in for each group. The following declaration must be submitted in hard copy form on the due date for the assignment and must be signed by all members of the group:

We the undersigned have all participated in the completion of this assignment and are all deserving of the same mark for the assignment:

**Print Name Student No.**

**Signature**

**BUSI 4009 – Auditing II  
Course Schedule  
Summer 2014**

Date - 2014	Topic	Chapters. Readings provided in class
May 5	Introduction  Audit Review, Basic IT Audit Concepts, Business Cycle Controls, General Computer Controls	Chapter 11
May 12	Audit Sampling Concepts  BCC – Revenue Cycle  BCC – Expenditures Cycle	Chapter 11, 12 & 13
May 26	GCC – Logical Security, Information Security & Segregation of Duties  GCC – Change Management, System Development Lifecycle (SDLC)	Chapter 7 & 9
June 2	GCC – Change Management, SDLC (con't)  GCC – IT Operations and IS Support  GCC – Outsourcing	Readings to be provided in class.
June 9	GCC – Disaster Recovery Planning & Business Continuity  IT Control Environment & Types of Control mechanisms	
June 16	Advanced Audit – ERP Case Study (SAP)  BCC Review	
July 7	<b>In-Class Test (1.5 hours)</b>  Computer Assisted Testing Techniques	
July 14	Corporate Security & Privacy	
July 21	e-Commerce – Audit Impacts Internet – Audit Impacts  <i>Review test results</i>	
July 28	3 <sup>rd</sup> Party Reporting - Assignment Presentations  <b>Assignment Due (6PM)</b>	<i>CICA Handbook Section 5900 &amp; 5970</i>
Aug 11	Internal Control Frameworks & Sarbanes Oxley - Assignment Presentations	Chapter 16
Aug 15	Case Study, Course Review and Sample Questions	Chapter 17

### **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 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. 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	WDN = Withdrawn from the course		
ABS = Student absent from final exam			
DEF = Deferred (See above)			
FND = (Failed, no Deferred) = Student could not pass the course even with 100% on final exam			

### **Academic Regulations, Accommodations, Plagiarism, Etc.**

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 Accommodations**

#### **Academic Accommodations for Students with Disabilities**

The Paul Menton Centre for Students with Disabilities (PMC) provides services to students with Learning Disabilities (LD), psychiatric/mental health disabilities, Attention Deficit Hyperactivity Disorder (ADHD), Autism Spectrum Disorders (ASD), chronic medical conditions, and impairments in mobility, hearing, and vision. If you have a disability requiring academic accommodations in this course, please contact PMC at 613-520-6608 or [pmc@carleton.ca](mailto:pmc@carleton.ca) for a formal evaluation. If you are already registered with the PMC, contact your PMC coordinator to send me your **Letter of Accommodation** at the beginning of the term, and 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 me to ensure accommodation arrangements are made. Please consult the PMC

website for the deadline to request accommodations for the formally-scheduled exam (*if applicable*).

- The deadlines for contacting the Paul Menton Centre regarding accommodation for final exams for the December 2013 exam period is November 8, 2013 and for the April 2014 exam period is March 7, 2014.

*For Religious Obligations:*

Students requesting academic accommodation on the basis of religious obligation should make a formal, written request to their instructors for alternate dates and/or means of satisfying academic requirements. Such requests should be made during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist, but no later than two weeks before the compulsory event.

Accommodation is to be worked out directly and on an individual basis between the student and the instructor(s) involved. Instructors will make accommodations in a way that avoids academic disadvantage to the student. Students or instructors who have questions or want to confirm accommodation eligibility of a religious event or practice may refer to the Equity Services website for a list of holy days and Carleton's Academic Accommodation policies, or may contact an Equity Services Advisor in the Equity Services Department for assistance.

*For Pregnancy:*

Pregnant students requiring academic accommodations are encouraged to contact an Equity Advisor in Equity Services to complete a letter of accommodation. The student must then make an appointment to discuss her needs with the instructor at least two weeks prior to the first academic event in which it is anticipated the accommodation will be required.

**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 expulsion; suspension from all studies at Carleton; suspension from full-time studies; a refusal of permission to continue or to register in a specific degree program; academic probation; and a grade of Failure in the course, 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 <http://www2.carleton.ca/sasc/advisingcentre/academic-integrity/>.

**Assistance for Students:**

Student Academic Success Centre (SASC): [www.carleton.ca/sasc](http://www.carleton.ca/sasc)

Writing Tutorial Services: <http://www1.carleton.ca/sasc/writing-tutorial-service/>

Peer Assisted Study Sessions (PASS): [www.carleton.ca/sasc/peer-assisted-study-sessions](http://www.carleton.ca/sasc/peer-assisted-study-sessions)

**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.
- Please note that you will be able to link your CONNECT (MyCarleton) account to other non-CONNECT accounts and receive emails from us. However, 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 CONNECT address. Therefore, it would be easier to respond to your inquiries if you would send all email from your connect account. If you do not have or have yet to activate this account, you may wish to do so by visiting <https://portal.carleton.ca/>

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