



Carleton
UNIVERSITY

SPROTT
SCHOOL OF BUSINESS

ACCT 5125P
ADVANCED ASSURANCE
WINTER 2020
TUESDAYS 6:05 P.M. – 8:55 P.M.

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Office hours: Tuesdays 4:00 p.m. – 5:00 p.m. or by appointment
(Please contact me via e-mail to set up an appointment)

Calendar Description: ACCT 5125 [0.5 credit]

Advanced Assurance

Assurance concepts are applied to a range of assurance and auditing engagements, including auditing financial statements and non-financial statement assurance engagements. Current trends in assurance are also explored.

Course Description

This course in assurance integrates and applies assurance concepts, with a focus on the development and application of professional judgment. Through a series of activities and simulations (cases), as well as targeted accounting research, students are exposed to all aspects of an assurance engagement. The course ensures students have covered the CPA Competencies in Assurance at the level required by the Professional Education Program Elective Module in Assurance (see Appendix A for the mapping of the course to CPA Competencies).

Course Prerequisites: [ACCT 5120](#).

Required Texts:

1. The CPA Canada Handbook – *Assurance* available through the Carleton Library at <http://edu.knotia.ca.proxy.library.carleton.ca/>
2. The CPA Ontario Student Code of Conduct
https://media.cpaontario.ca/stewardship-of-the-profession/pdfs/Regulations-9-1_9-2-APPENDIX-D.pdf
3. The CPA Ontario Code of Professional Conduct
<https://cdn.agilitycms.com/cpa-ontario/stewardship-of-the-profession/pdfs/CPA-Ontario-Code-of-professional-conduct.pdf>
4. Assurance cases (to be posted to CULearn in pdf format)

Suggested Text (for reference): Auditing: The Art and Science of Assurance Engagements, Canadian 14th edition, Pearson, by A.A. Arens, R.J. Elder, M.S. Beasley, C.E. Hogan and J.C. Jones OR other introductory Canadian assurance textbook.

Exam date: Saturday April 18, 2020 9:00 a.m. – 1:00 p.m.

Drop Course Policy: The deadline for academic withdrawal is the last day of classes each term.

Grading Scheme:

Contribution to classroom environment	15%
1 page case plans (7 to be picked up randomly; best 5 to count 2% each)	10%
Seminar (presentation and handouts)	25%
Individual case submission (continuous improvement case)	10%
Midterm case exam	10%
Final case exam	<u>30%</u>
Total	<u>100%</u>

Final exam date: Saturday April 18, 2020 9:00 a.m. – 1:00 p.m.

Missed assignments and term work:

Students who claim illness, injury or other extraordinary circumstances beyond their control as a reason for missed term work are held responsible for immediately informing the instructor concerned and for making alternate arrangements with the instructor and in all cases this must occur no later than three (3.0) working days after the term work was due. The alternate arrangement must be made before the last day of classes in the term. Normally, any deferred term work will be completed by the last day of term.

Deferred Final Examination:

Students unable to write a final examination because of illness or other circumstances beyond their control must contact the instructor and the MAcc office in writing to request a deferred exam. Permission may be granted when the absence is supported by a medical certificate and or appropriate document/s to support the reason for the deferral.

Course Schedule: See Detailed Course Schedule at the end of this outline for a detailed week by week course schedule.

Course Learning Objectives:

1. Examine the role of the assurance profession and the assurance provider in society.
2. Deepen knowledge of current and emerging issues facing the profession.
3. Deepen understanding of the assurance framework and activities required to complete assurance engagements.
4. Demonstrate competence in simulated assurance engagements.

Course Learning Outcomes:

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

1. Identify and respond to ethical dilemmas
2. Assess the need for an engagement or project
3. Develop and perform engagement procedures
4. Understand how technology impacts assurance engagements
5. Document and report results of providing assurance services
6. Apply concepts such as risk, materiality, and internal control
7. Understand how governance plays a key role in assurance
8. Research topics in assurance

Method of Instruction

Mix of seminars, cases, lectures and class discussion. Individual and group work. Independent research will be required.

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 post video and powerpoint lectures and seminars
- To communicate with students on regular basis (e-mail, announcements, etc.)
- To submit assignments and case plans
- To post problems or readings
- To post notes of an administrative nature or updates to the course outline, if required
- To take the place of in class sessions when necessary (in limited circumstances only).

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

Contribution to Classroom Environment (15 percent)

The success of the course depends on active, thoughtful participation by the members through contributing to course discussions.

The expectation is that you will come to class having already thought through and analyzed the case(s) assigned for the class. This way, we can devote the bulk of the class to thinking and responding to each other's analyses of the case and only the necessary minimum to getting the facts out. Active student participation in class is encouraged. Most students typically tend to underestimate rather than overestimate the worth of what they have to say. Thus, if you are ever in doubt, you are encouraged to speak up rather than stay quiet.

Evaluation of Class Participation The vast majority of professional accountants' interactions with others are oral. Depending on the specialty, they may spend very little time reading and even less time writing reports. For this reason, the development of oral skills is given a high priority in this course. The classroom should be considered a laboratory in which you can test your ability to convince your peers of the correctness of your views. Some of the characteristics of effective class participation are as follows:

- (1) Are the points that are made relevant to the discussion in terms of increasing everyone's understanding, or are they merely regurgitation of case facts?
- (2) Do the comments take into consideration the ideas offered by others earlier in the class, or are the points isolated and disjointed? The best contributions tend to be those which reflect not only excellent preparation, but good listening, and interpretative and integrative skills as well.
- (3) Do the comments show evidence of a thorough reading and analysis of the case/reading?
- (4) Does the participant distinguish among different kinds of data; that is, facts, opinions, assumptions, and inferences?
- (5) Is there willingness to test new ideas or are all comments cautious/'safe'?
- (6) Is the participant willing to interact with other class members by asking questions or challenging conclusions?

Clearly, you must participate in class if you are going to share your ideas with others. There is no need to contribute in every class. Some of the best contributors in the past have been those who participated in only three or four sessions. Their contributions, however, were insightful and persuasive. The issue is one of quality not quantity or frequency.

Given below is a description of how your class contributions will be assessed:

Outstanding contributor: Contributions in class reflect thorough preparation. Ideas offered are usually substantive, provide one or more major insights as well as direction for the class. Arguments, when offered, are well substantiated and persuasively presented. If this person were not a member of the class, the quality of the discussions would be diminished significantly.

Good contributor: Contributions in class reflect thorough preparation. Ideas offered are usually substantive, provide good insights and sometimes direction for the class. Arguments, when presented, are generally well substantiated and are often persuasive. If this person were not a member of the class, the quality of the discussions would be diminished considerably.

Adequate contributor: Contributions in class reflect satisfactory preparation. Ideas offered are sometimes substantive, provide generally useful insights, but seldom offer a major new direction for the discussion. Arguments are sometimes presented, and are fairly well substantiated and sometimes persuasive. If this person were not a member of the class, the quality of the discussions would be diminished somewhat.

Non-participant: This person has said little or nothing in class. Hence, there is no adequate basis for evaluation. If this person were not a member of the class, the quality of the discussions would not be changed.

Unsatisfactory contributor: Contributions in class reflect inadequate preparation. Ideas offered are seldom substantive, provide few, if any, insights; and never a constructive direction for the class. Integrative comments and effective arguments are absent. Class contributions are, at best, 'cherry-picking' efforts making isolated, obvious, and confusing points. If this person were not a member of the class, valuable air time would be saved.

Brief preliminary feedback on contribution to the classroom environment will be provided to each student at the approximate mid-point of the course. Students are able to speak with the instructor at any point during the term should they wish additional feedback on this component of their course grade.

Case Plans (5 x 2%; total 10 percent)

An important part of this course is case-based writings and discussions. This is to ensure students have practice in applying assurance concepts and have opportunities to develop their professional judgment. To encourage case preparation, one-page case plans of 7 of the assigned case summaries will be assessed at random. Grades for the best 5 case summaries will be used in the calculation of the course grade.

One of the most important requirements for this course is a thorough preparation and analysis of the assigned cases and reading material. Each student is expected to prepare cases before each class. Case plans are to be completed individually. The learning will focus more on the thought process in identifying (including prioritizing), analyzing and addressing assurance situations. In order to derive maximum benefit from the cases, it is essential that you mentally 'get inside' the case situation.

NO LATE CASE SUMMARIES WILL BE ACCEPTED. MAKE-UP SUBMISSIONS ARE NOT PROVIDED.

Case plans will be submitted through CULearn drop boxes each week. Case plans are due by midnight the day before each case is to be discussed in class (i.e. by midnight on Monday for a case to be discussed in a Tuesday class). Written feedback on each of the randomly selected case plans will be provided in class. While I strive to provide this feedback before the case is discussed in class, there may be occasions when this is not possible. In these instances feedback will be provided as soon as possible after the case discussion.

Seminar (25 percent)

Students will be placed into groups and each group will be required to research and present a seminar of approximately 45 minutes on one of the assurance seminar topics indicated in the Detailed Course Schedule. In addition, each student will be required to prepare and distribute to the class the slide deck from the presentation as well as a 2-4 page handout summarizing key aspects of the seminar. These will be provided to the professor, who will make the documents available to the class via CULearn. The professor should be provided with a **one-page outline of your seminar** by 6:00 p.m. **January 20, 2020** to allow for feedback and direction. The seminar material is subject to examination.

Written feedback on the seminar will be provided to all members of the group within one week of the presentation. This feedback may be returned in class or electronically.

Individual case submission (10%)

Students will each be required to prepare and submit a response to one of the cases identified in the detailed course schedule. This is a continuous improvement case. This means that students are able to submit the case once and re-submit it one additional time for additional feedback and assessment. The intention is to give students the opportunity to improve their case analysis and case writing skills as they work toward an in depth analysis of the case. Details for the case submission deadline and last date to re-submit the case for reassessment are provided in the Detailed Course Schedule.

Case submissions will be via CULearn. Feedback will be provided electronically.

Midterm Examination (10%) and Final Examination (30 percent)

Midterm exam will be written in class time on Tuesday February 25, 2020. The Final examination will be Saturday April 18, 2020 from 9:00 a.m. – 1:00 p.m. The exams are case-based and will be written and submitted in accordance with MAcc program requirements.

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/>

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 <http://carleton.ca/ccs/students/>
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No Scents

This classroom and my office are scent-free zones. Some people may have adverse reactions to the chemicals used in scented products. In consideration for students, faculty and staff who have environmental and chemical sensitivities, students are asked to refrain from wearing perfumes, colognes, aftershave and other scented products.

Important Dates and Deadlines

<https://sprott.carleton.ca/students/mba/dates-deadlines-policies/>

Date	Topic	Readings/ Competency & Level	Other	Deliverables
1. January 7, 2020	Internal Control & Governance	CAS 220; 230; 260; 265; 315; 402; 600, CSQC-1; CPA Canada Guidance of Criteria of Control Board/ 2.1.1 B; 2.1.2 A; 2.1.3 A; 4.1.1 A; 4.1.2 A	Writing Auditing Cases	Wicon Waste (1996 UFE)
2. January 14, 2020	Ethics, Standard setting & Emerging issues	CSOA 5000, S. 5021; CAS 210; 320; AuG-48; CPA Ontario CPC; International Ethics Standards Board for Accountants/ 1.1.4 B; 4.2.2 B	Write Continuous Improvement Case (to be handed out and written in class) (10%)	Charles Tucker – Scenario 3 (School of Accountancy)
3. January 21, 2020	Assurance services Assurance needs	CSAE 3000, 3001; CAS 200; 510; 720/1.2.3 A; 1.2.4 B; 4.2.1 A; 4.3.1 A; 4.3.2 A; 4.3.3 A	1 page seminar outline due 6:00 p.m. January 20 2020	Prime Developments
4. January 28, 2020	Computer- Assisted Auditing/Data Analytics	CAS 240; 300; 315; 330; 550; 20 Questions about IT; ISACA Standards and Guidelines for Audit and Assurance/ 4.1.2 A	Video Guest speaker	TripleB Security (2002 UFE)
5. February 4, 2020	Small business audits / Audits of Smaller Enterprises Not for profit audits	CPA Handbook CAS sections 'Considerations specific to smaller entities' (CAS 200; 210; 220; 230; 240; 260; 265; 300; 315; 320; 330; 402; 450; 500; 505; 540; 550; 570; 701; CSAE 3000; 3001; 3410; CSRE 2400)/ 1.2.1 A; 1.2.2 A; 1.2.3 A; 1.2.4 B; 1.3.2 A; 1.4.2 A; 4.3.3 A; 4.3.4 A; 4.3.5 A; 4.3.6 A; 4.3.7 A; 4.3.8 A; 4.3.9 A; 4.3.10 A; 4.3.11 A; 5.1.1 A; 5.4.1 B; 5.4.2 B; 5.4.3 B CPA Canada Not-for-Profit Director Series/ 1.2.1 A; 1.2.2 A; 1.2.3 A; 1.2.4 B; 1.4.1 B; 1.4.2 A; 4.3.3 A; 4.3.4 A; 4.3.5 A; 4.3.6 A; 4.3.7 A; 4.3.8 A; 4.3.9 A; 4.3.10 A; 4.3.11 A	Seminar – Small Business Audits Seminar – Not for Profit Audits	ReadQ (2001 UFE)

[illegible]

April 18, 2020	Final Exam	9:00 a.m. – 1:00 p.m.		

Appendix A

Competency Map Coverage

Competency	Topic	Coverage in Core	Coverage in Elective
Authoritative Literature		Handbook, CPC, Ethics, CSQC-1	Special Reports, Public Sector, CSAE3000, 3001
4.1.1	Entity's risk assessment processes	Yes Risk Assessment process	Yes
4.1.2	Information system	-	Yes
4.2.1	Advises on assurance needs	-	Yes
4.2.2	Implications of changes in assurance standards	-	Yes
4.3.1	Issues related to undertaking engagement	Yes Client acceptance Audit risk Association	Yes
4.3.2	Which criteria to apply	IFRS or ASPE only	Yes
4.3.3	Which standards to apply	GAAS only	Yes
4.3.4	Assesses materiality	Yes Concepts and mechanics Review and audit	Yes Application to audit
4.3.5	Assesses risk	Yes Concepts	Yes Application to audit
4.3.6	Develops procedures	Yes Concepts	Yes Application to audit
4.3.7	Performs the work plan	Yes Review and compilation	Yes Audit and special reports
4.3.8	Evaluates evidence	Yes Review and compilation	Yes Audit and special reports
4.3.9	Documents work performed	Yes Review and compilation	Yes Audit and special reports
4.3.10	Draws conclusions and communicates results	-	Yes Audit and special reports
4.3.11	Prepares or interprets information for stakeholders		Yes Audit and special reports
4.4.1	Applies comprehensive auditing techniques		Yes Public sector

Appendix B: CPA Canada Knowledge Topics Covered in Acct 5125

Most of the following knowledge topics will be covered in ACCT 5125

SECTION 2: STRATEGY AND GOVERNANCE

Role of Governance

b) Auditor role

- ☐ Role of the internal auditor in ensuring good internal governance
- ☐ Role of the external auditor (including audit risk model and audit liability)
- ☐ Audit report follow-up/decisions made

SECTION 4: AUDIT AND ASSURANCE (Updated December 2017)

Audit and Assurance Process

d) Risk assessment process

- ☐ Internal control
 - o Control environment (CAS 260, CAS 265)
 - o Control frameworks (e.g., COSO, COCO, ITGC, COBIT)
 - o Management of internal controls (CAS 402):
 - o Objectives of internal controls:
 - o IT functions and controls

e) Audit procedures

- ☐ Nature, timing, and extent of procedures (CAS 510, 540, 550, 560, 600, 610, 620, 710)
 - o Test of controls, substantive tests (CAS 330)
 - o Analytical procedures (CAS 520)
- ☐ Sampling approach (CAS 530)
- ☐ Confirmation (CAS 505)
- ☐ Computer-assisted techniques

f) Evidence (CAS 500, 501, 580)

- ☐ Sufficiency

g) Documentation (CAS 230)

h) Audit conclusions (CAS 450, 570, 700, 701, 705, 706, CSRS 4460)

Types of Engagements

a) Assurance engagements related to financial statements:

- ☐ An audit of general-purpose financial statements (CAS 200, 210, 220, 240, 250, 300, 315, 320, 720)
- ☐ An audit of special-purpose financial statements
- ☐ An audit of financial statements prepared in accordance with special-purpose frameworks (CAS 800)
- ☐ An audit of single financial statements and specific elements of a financial statement (CAS 805)
- ☐ An engagement to report on summary financial statements (CAS 810)

b) Other assurance engagements:

- ☐ Reporting on controls at a service organization (CSAE 3416)
- ☐ Assurance on other matters (i.e., not financial statements or financial information) (CSAE 3000, 3001, 3410)
 - ☐ An audit on compliance with agreements, statutes, and regulations (CSAE 3530, 3531)
 - ☐ An audit on compliance with legislative and related authorities in the public sector
 - ☐ An audit of internal controls over financial reporting that is integrated with an audit of financial statements (5925)

c) Review engagements:

- ☐ A review of general-purpose financial statements (CSRE 2400)
- ☐ A review of special-purpose financial statements
- ☐ A review of financial information other than financial statements
- ☐ A review of non-financial information
- ☐ A review of compliance with agreements and regulations (CSAE 3530, 3531)
- ☐ Auditor review of interim financial statements (7060)

d) Other engagements:

- ☐ Compilation engagements (9200, AUG 5)
- ☐ Compilation of a financial forecast or projection (AUG 16)
- ☐ Reports on the results of applying specified auditing procedures to financial information other than financial statements (9100)
- ☐ Agreed-upon procedures regarding internal control over financial reporting (9110)
- ☐ Reports on application of accounting principles (7600)
- ☐ Auditor's involvement with offering documents, including assistance to underwriters and others, consent to use of report, etc. (7060, 7150, 7170, 7200, AUG 6)

e) Comprehensive audit engagements:

- ☐ Operational audits
- ☐ Continuous auditing engagements
- ☐ Forensic audits
- ☐ Comprehensive auditing, including value-for-money (VFM) audits
- ☐ Environmental audits

Authoritative Literature (5021)c) *CPA Canada Handbook* — Assurance:

- ☐ Canadian Auditing Standards (all specifically referred to above)
- ☐ Other Canadian standards
 - o General assurance and auditing (except for those specifically mentioned above) (CSOA 5000)
 - o Specialized areas (see types of engagements)
 - o Review engagements (all specifically referred to above)
 - o Related services (all specifically referred to above)
 - o Public sector (PS 5000-6420)
- ☐ Assurance and related services guidelines (except for those specifically mentioned above)