



AUDITING I
CARLETON UNIVERSITY
BUSI 3007 A & B
FALL 2024

Instructor:	Naomi Fernando, CPA (she/her/hers)
Office:	Nicol building 7036
Office Hours:	Office hours are available upon request by email. See Brightspace on how to book.
Email:	naomifernando@cunet.carleton.ca
Modality:	In-Person
Class Times:	Section A Monday 11:35 - 14:25 Section B Tuesday 11:35 - 14:25

Pre-requisites: BUSI 2001

Precludes additional credit for BUSI 4007 (no longer offered)

Course Calendar Description: Auditing theory, methodology and application

Course Description:

This course examines the factors affecting assurance services and the practice of auditing financial statements. First, we will look at the demand for assurance services and at the professional dimension of assurance services. Second, we will go over the concepts that underlie the planning phase of a financial statement audit (objectives, risk assessment, materiality, internal control...). Third, we will explore the audit process and develop plans for evidence collection in different audit areas (revenue, accounts payable, inventory, payroll expense, cash...). Finally, we will discuss other types of engagements.

Drop Course Policy

The deadline for academic withdrawal follows the dates prescribed by Carleton University: <https://calendar.carleton.ca/academicyear/>

Learning Outcomes:

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

1. Describe the demand for assurance and explain the audit process.
2. Plan an audit engagement and assess risk and materiality.
3. Design and apply audit procedures, including control tests and substantive tests.
4. Evaluate the audit report.
5. Apply professional standards and develop an appreciation for ethical judgment in auditing.
6. Compare financial statement audits to other types of engagements.

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

1. Auditing: The Art and Science of Assurance Engagements, Canadian 16th edition, Pearson, Arens, Elder, Beasley, Hogan, Jones (ISBN: 9780137954452)

Note: Pearson MyLab **is not** required for this course.

Other:

1. [The CPA Canada Handbook – Accounting & Assurance](#)
2. [The CPA Ontario Code of Professional Conduct](#)
3. [The CPA Ontario Student Code of Conduct](#)
4. Other material posted to our Brightspace page.

Grading Scheme

Reference	Component	%	Due date(s)	
			Section A	Section B
A	Participation	10%	Deadlines each week starting Sept 16	
B	Quizzes (2)	2.5%	Quiz 1 available: Oct 14	Quiz 1 available: Oct 14
			Quiz 1 due: Oct 18	Quiz 1 due: Oct 18
		2.5%	Quiz 2 available: Nov 18	Quiz 2 available: Nov 18
			Quiz 2 due: Nov 22	Quiz 2 due: Nov 22
C	Individual Assignment (open book, individual)	25%	Due Nov 3	Due Nov 3
D	Team Project Report	15%	Report: Nov 25	Report: Nov 25
	Team Project Presentation	5%	Presentation: Dec 6	Presentation: Dec 3
E	Final Exam	40%	Held in the regular examination period scheduled by the University.	

Each component of your grade will be assigned a percentage score. Your final course grade will be a weighted average of each of these components. All submissions must be made in Brightspace.

Late Assignments:

Assignments submitted past the due date will receive a penalty of 5% per day. Assignments that are not submitted after 5 days past the due date will receive a grade of 0. Exceptions to this include verifiable illness and emergencies, only when communicated directly to me within three (3) business day following the due date.

*Note, the above only applies to the individual assignment. *

A. Participation (10%)

Participation will be assessed using the following items:

- Practice problems and cases: For each of the 12 topics, there will be practice problems and/or short cases to solve each week. In order to perform well in this course, it is critical not only to try solving these problems/cases but also to debrief your work and compare what you did to the official solution so that you can progress, improve the structure of your response, and familiarize yourself with the type of cases you will have to solve for the individual assignment and final exam.
- You can submit your attempt at solving these problems/cases in Brightspace each week starting September 16 (each submission is worth 0.5 mark for a maximum of 5.5 marks). A Word file and/or an Excel spreadsheet should be used to complete the work.
- After each deadline, I will post videos/documents so that you can debrief your work. You will have one week to look at the solution, comment **on your work** (you can use the comment function in Word in your original document, for example), and submit your reviewed work in Brightspace. Each submission (reviewing and commenting on your original work for the problems/cases for one given topic) is worth 1 mark, for a maximum of 11 marks. Even if you did not submit your attempt at solving the problem/case before the first deadline, you can still submit your debriefing work before the second deadline.

- Discussion forum: In Brightspace, there is a distinct discussion forum called “Sharing experience”. You can contribute by 1) posting about your practical experience with some of the topics covered in the course (if you have experience as an auditor or an auditee, for example); and 2) posting about a situation, a problem, or an event discussed in the media that is relevant to the course and responding meaningfully to other students’ posts. Each of your posts are worth 0.5 mark, for a maximum of 1 *mark*.
 - Posting about your experience: Briefly summarize a situation that you have encountered in which one (or multiple) of the concepts covered in the course are at play. In a short post, describe the situation and identify the course concepts.
 - Posting about a situation, a problem, or an event relevant to the course: Briefly summarize the situation, problem, or event, explain how it connects with the course content, and add a link to the article or website where the issue was discussed.
 - Responding meaningfully to others’ posts: You can contribute to the discussions by replying to other students’ posts and identifying additional course concepts in their situation or highlighting how the situation they have described relate (or differ) to one that you have encountered (using similar concepts).

As you may have noted, the total available participation marks total 17.5 marks. However, the maximum achievable mark is 10/10. Thus, you can decide how to invest your time and efforts depending on your interests. However, I strongly recommend that you prioritize solving and debriefing the problems and cases.

B. Quizzes (5%)

Two quizzes are scheduled throughout the term to help you keep up with the breadth of the course material and make sure that you master the most important concepts and tools. Each quiz is worth 2.5%, is approximately 30 minutes in length, and consists of multiple-choice questions. The first quiz covers Classes 1-5. The second quiz covers Classes 6-9. See above chart for quiz availability dates and due dates.

C. Individual Assignment (25%)

The individual assignment consists of a case analysis covering Classes 1-5. The individual assignment must be submitted in Brightspace before the end-of-day on November 3rd. Additional instructions will be provided in Brightspace.

D. Team Project (20%)

Teams will be formed by September 16. Each team will plan an audit engagement for a Canadian public company, submit its audit plan, and present it. Each team will get an online consultation with the lecturer to informally present the company chosen and its industry, to test preliminary analyses and ideas, and to ask questions.

At the end of the term, you should complete and submit an Evaluation Form where you will evaluate every team member's contribution to the team effort (including your own). Consistent poor peer evaluations may result in reduced individual grades on team assignments. Thus, your final individual grade for the Team Project will be based on:

- (1) the quality of the audit plan/presentation; and
- (2) peer evaluation.

Additional instructions will be provided in Brightspace.

E. Final Exam (40%)

A final examination will take place during the university scheduled final exam period.

The final exam is cumulative with some emphasis on the concepts covered in classes 6-12. University policy with respect to examinations will be strictly adhered to.

Supplemental and grade-raising examinations are not available.

If the mark on the final exam is less than 50%, the final grade for the course will be an F.

Preliminary Course Schedule: Section A

Please note that this schedule is subject to change.

Week #	Dates	Topic	Required Readings
1	September 9, 2024	Introduction	1,2
2	September 16, 2024	Audit Objectives and Audit Report	4,19
3	September 23, 2024	Ethics, Client Acceptance, and Preliminary Planning	3 and part of 6
4	September 30, 2024	Risk Assessment	7, 8,9
5	October 7, 2024	Materiality and Risk Response	Part of 6 and 10
	October 14, 2024	Thanksgiving, no classes.	
Reading Week (October 21 - 25)			
6	October 28, 2024	Audit Evidence and Sampling Concepts	5,11
7	November 4, 2024	Audit Revenue and Receivables	12
8	November 11, 2024	Audit Accounts Payable	13
9	November 18, 2024	Audit Inventory	14
10	November 25, 2024	Audit Payroll, Audit Cash and Cash Equivalents	15,17
11	December 2, 2024	Capital Acquisition, and Repayment Cycle, Audit Completion and Other Engagements	16,18
12	December 6, 2024	Final Presentations	

Preliminary Course Schedule: Section B

Please note that this schedule is subject to change.

Week #	Dates	Topic	Required Readings
1	September 10, 2024	Introduction	1,2
2	September 17, 2024	Audit Objectives and Audit Report	4,19
3	September 24, 2024	Ethics, Client Acceptance, and Preliminary Planning	3 and part of 6
4	October 1, 2024	Risk Assessment	7, 8,9
5	October 8, 2024	Materiality and Risk Response	Part of 6 and 10
6	October 15, 2024	Audit Evidence and Sampling Concepts	5,11
Reading Week (October 21 - 25)			
7	October 29, 2024	Audit Revenue and Receivables	12
8	November 5, 2024	Audit Accounts Payable	13
9	November 12, 2024	Audit Inventory	14
10	November 19, 2024	Audit Payroll, Audit Cash and Cash Equivalents	15,17
11	November 26, 2024	Capital Acquisition, and Repayment Cycle, Audit Completion and Other Engagements	16,18
12	December 3, 2024	Final Presentations	

Other

Brightspace

Brightspace will be used in this course. It is critical to use this learning tool on a regular basis. This is how I will communicate important information, so please make sure to check on a regular basis.

We will be using Brightspace as follows:

- To communicate with students on regular basis (e-mail, announcements, etc.)
- To post weekly agendas 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 place for you to upload your deliverables

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

Marking

The assignments and final exam will be marked by the teaching assistants and the instructors together and follow a rigorous quality control process that reasonably assures that the grade awarded is fair. However, no system is 100% error-free, so it is possible that you may wish to call into question a grade that has been awarded. In this circumstance, please write a brief email describing the difficulty with the awarded grade to the instructor no later than seven calendar days following the date the assignments/tests were handed back. Please be sure to include your student number in the email to enable us to properly identify it.

Reduction of Bias

I make an effort to reduce unintentional bias in grading by, for example and when possible, grading anonymously, using clear and specific rubrics, and grading tests one question at a time (grading all of question 1 before grading any of question 2), etc.

Student's Responsibilities with regards to deadlines

It is your responsibility to ensure that you meet (1) the quiz deadlines, (2) the assignment deadlines, and (3) the final exam date and time. It's as easy as entering these in your calendar on your smart phone or paper agenda.

There is built-in flexibility for participation marks and quizzes, but no other accommodation for deadlines will be provided. By registering for this course, you are agreeing to be fully available during the final exam period from December 9 to 21. Requests to take the final exam early or late will not be accommodated.

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
	CHECK (X) ONE PER ROW			
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

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 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, followership, 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

Carleton is committed to providing academic accessibility for all individuals. You may need special arrangements to meet your academic obligations during the term. The accommodation request processes, including information about the *Academic Consideration Policy for Students in Medical and Other Extenuating Circumstances*, are outlined on the Academic Accommodations website (students.carleton.ca/course-outline).

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 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/>
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Important dates

September 4, 2024	Fall term begins. Full fall, early fall, and fall/winter classes begin.
September 10, 2024	Last day for registration and course changes (including auditing) in early fall courses.
September 17, 2024	Last day for registration and course changes (including auditing) in full fall, late fall, and fall/winter courses.
	Last day to withdraw from early fall courses with a full fee adjustment.
	Graduate students who have not electronically submitted their final thesis copy to Graduate Studies will not be eligible to graduate in fall 2024 and must register for the fall 2024 term.
September 20-22, 2024	Full summer and late summer term deferred final examinations will be held.
September 30, 2024	Last day to withdraw from full fall and fall/winter courses with a full fee adjustment.
October 1, 2024	Last day for academic withdrawal from early fall courses.
	Last day to request Formal Examination Accommodations for Oct/Nov final examinations from the Paul Menton Centre for Students with Disabilities. Note that it may not be possible to fulfil accommodation requests received after the specified deadlines.
October 11, 2024	Last day for summative tests or examinations, or formative tests or examinations totaling more than 15% of the final grade, in early fall term undergraduate courses, before the official Oct/Nov final examination period (see examination regulations in the Academic Regulations of the University section of the Undergraduate Calendar/General Regulations of the Graduate Calendar).
	December examination schedule (fall term final and fall/winter mid-terms) available online.
October 14, 2024	Statutory holiday. University closed.
October 15, 2024	Last day for receipt of applications for admission to an undergraduate degree program for the winter term from applicants whose documents originate from outside Canada or the United States.

October 18, 2024	Last day of early fall classes.
	Last day for final take-home examinations to be assigned in early fall courses, with the exception of those conforming to the examination regulations in the Academic Regulations of the University section of the Undergraduate Calendar/General Regulations of the Graduate Calendar.
	Last day that can be specified by a course instructor as a due date for term work for early fall courses.
October 21, 2024	Deadline for course outlines to be made available to students registered in late fall courses.
October 21-25, 2024	Fall break, no classes.
October 26-27, November 2-3, 2024	Final examinations in early fall undergraduate courses will be held.
October 28, 2024	Late fall classes begin.
November 15, 2024	Last day for academic withdrawal from full fall and late fall courses.
	Last day to request Formal Examination Accommodations for December full fall and late fall examinations and fall/winter midterm examinations from the Paul Menton Centre for Students with Disabilities. Note that it may not be possible to fulfil accommodation requests received after the specified deadlines.
	Last day for receipt of applications for admission to an undergraduate degree program for the winter term.
November 15-17, 2024	Early fall undergraduate deferred final examinations will be held.
November 22, 2024	Last day for summative tests or examinations, or formative tests or examinations totaling more than 15% of the final grade, in full fall term or fall/winter undergraduate courses, before the official December final examination period (see examination regulations in the Academic Regulations of the University section of the Undergraduate Calendar/General Regulations of the Graduate Calendar).
November 29, 2024	Last day for graduate students to submit their supervisor-approved thesis, in examinable form to the department.

November 30, 2024	Last day for receipt of applications from potential winter (February) graduates.
December 6, 2024	Fall term ends.
	Last day of full fall and late fall classes.
	Classes follow a Monday schedule.
	Last day for final take-home examinations to be assigned, with the exception of those conforming to the examination regulations in the Academic Regulations of the University section of the Undergraduate Calendar/General Regulations of the Graduate Calendar.
	Last day that can be specified by an instructor as a due date for term work for full and late fall courses.
	Last day for receipt of applications for undergraduate degree program transfers for winter term.
December 7-8, 2024	No classes or examinations take place.
December 9-21, 2024	Final examinations in full fall and late fall courses and mid-term examinations in fall/winter courses will be held. Examinations are normally held all seven days of the week.
December 21, 2024	All final take-home examinations are due on this day, with the exception of those conforming to the examination regulations in the Academic Regulations of the University section of the Undergraduate Calendar/General Regulations of the Graduate Calendar.
December 24, 2024 at noon through January 2, 2025 inclusive	University closed.