

**MOS 3363A INTRODUCTION TO AUDITING**  
**COURSE OUTLINE: SECTIONS – 001-002**  
 SEPTEMBER 2014 – DECEMBER 2014

**CLASS LOCATION AND TIME:**

SECTION	DAY	TIME	BUILDING	ROOM	INSTRUCTOR
001	TUESDAY	8:30- 11:30AM	SSC	3006	MICHELLE LOVELAND
002	TUESDAY	12:30- 3:30PM	SSC	3022	MICHELLE LOVELAND

Instructor Name	Room Number	Office Hours	Phone	Email Address
Michelle Loveland Course Coordinator	SSC-4414	Monday 12:30 – 1:15 pm Tuesday 3:30 –4:15 pm	661-2111; Ext. 84931	<a href="mailto:mlovelan@uwo.ca">mlovelan@uwo.ca</a>

**WEB SITE ADDRESS**    <http://owl.uwo.ca/portal>

DAN Management and Organizational Studies strives at all times to provide accessibility to all faculty, staff, students and visitors in a way that respects the dignity and independence of people with disabilities. Please contact the course instructor if you require material in an alternate format or if you require any other arrangements to make this course more accessible to you. You may also wish to contact services for students with disabilities (SSD) at 519-661-2111 ext 82147 for any specific question regarding an accommodation. More information about “accessibility at western” is available at: <http://accessibility.uwo.ca>

**OBJECTIVES**

The course objective is to introduce students to auditing concepts and procedures. Students will recognize statement assertions and the risks associated with these assertions. The course covers the audit methodology, ethics and judgment and emphasizes assessment of the internal control system and its impact on audit risk.

**PREREQUISITES:** MOS 3360 A/B and enrolment in 3<sup>rd</sup> or 4<sup>th</sup> year of BMOS

**COREQUISITE:** MOS 3361 A/B

**ANTIREQUISITE:** Business Administration 4497 A/B

It is the student’s responsibility for ensuring that course prerequisites have been completed successfully or special permission from the Dean obtained. Senate regulations state, “unless you have either the requisites for this course or written special permission from your Dean to enroll in it, you will be removed from this course and it will be deleted from your record. This decision may not be appealed.

You will receive no adjustment to your fees in the event that you are dropped from a course for failing to have the necessary prerequisites.”

## TEXTBOOK

1. Arens, A.A., Elder, R.J., Beasley, M.S. & Spletstoesser-Hogeterp, I.B., Auditing, The Art and Science of Assurance Engagements, 12<sup>th</sup> Canadian Edition, Pearson, 2013

## Reference and additional readings

Additional/alternate reading & problems may be assigned in-class or posted on OWL during the term.

## EVALUATION

Assignment (due November 27, 2014 at 1:00 pm)	25%
Bank confirmation assignment (in class November 18, 2014)	5%
Mid-term exam (in class October 21, 2014)	25%
Final exam (to be determined by Registrar)	30%
Participation (weekly)	<u>15%</u>
	<u>100 %</u>

The mid-term and final exam is in a multiple choice and short answer format. The mid-term will be scheduled for 2.5 hours and the final exam for 3 hours. The mid-term and final exam is **closed book examinations. Dictionaries are not allowed into the examinations. Only non-programmable calculators will be allowed into the exams.** If you are unsure, please ask your professor to check your calculator.

Students are responsible for material covered in the lectures as well as the assigned chapters/sections in the text and assigned readings. The mid-term will be scheduled in class on Tuesday, October 21, 2014. The final exam will be scheduled during the exam period. Exams will not be returned to students but may be reviewed in the instructor's office.

Students are **required to complete all components** of this course. There are no exceptions to this. Extra assignments to improve grades will **not** be allowed.

The multiple choice portion of exams will be scored using the program scan exam which examines the answer sheets for unusual coincidences in the pattern of answers given which may be indicative and used as supporting evidence of cheating.

Grades will **not** be adjusted on the basis of need. It is important to monitor your performance in the course. Remember: *you* are responsible for your grades in this course.

## HANDLING OF THE COURSE

Mastery of auditing theory and practice will require considerable time reading the textbook and other resources and attempting assigned homework problems/exercises. Homework problems and exercises may be taken from the text, other course resources, or from handouts posted on the

course web site or distributed in class. You must review and attempt each homework assignment prior to the class during which it will be discussed.

Reading and assignments are integral components of the course and are crucial to the attainment of course learning objectives. Many, but not all, homework problems and exercises will be reviewed in class. For those problems and exercises not reviewed in class, solutions will be posted on OWL. You must strive to stay current with reading and assignments.

### **ASSIGNMENT**

An audit planning assignment will be assigned later in the term. This assignment will involve the preparation of components of an audit planning report for Cineplex Inc. (CGX.TO). The report should be approximately 15 pages in length. This assignment will draw on your critical thinking, analytical and writing skills. The specific requirements of the audit planning assignment will be posted to OWL later in the term.

The assignment is due on **Thursday, November 27, 2014 at 1PM**. The assignment must be handed in on time. It can be either given to the instructor during class time or delivered to her office. **An assignment submitted late will result in a mark of 0.**

### **PARTICIPATION**

Participation will be assessed on a weekly basis according to the following rubric:

<b>Level</b>	<b>Description</b>
0	Does not attend, or attends and is disruptive.
1	Attends class but does not contribute to the discussion.
2	Contributes by asking/answering questions and making comments. Preparation for class is evident. Questions/comments are primarily factual in nature.
3	Demonstrates good presentation for class, contributing content-based questions and answers but also offers insights and adds significant value to the discussion.

### **GRADE POLICY**

The DAN Program has a grade policy which states that for courses in the 3000 range, the class average must fall between 70% and 75% for all sections of a course taught by the same instructor. In very exceptional circumstances only, class averages outside this range may be approved by the Assistant Director or Director. Class averages are not grounds for appeal.

### **ILLNESS**

The University recognizes that a student's ability to meet his/her academic responsibilities may, on occasion, be impaired by medical illness. Illness may be acute (short term), or it may be chronic (long term), or chronic with acute

episodes. The University further recognizes that medical situations are deeply personal and respects the need for privacy and confidentiality in these matters. However, **in order to ensure fairness and consistency for all students, academic accommodation for work representing 10% or more of the student's overall grade in the course shall be granted only in those cases where there is documentation supplied (see below for process) indicating that the student was seriously affected by illness and could not reasonably be expected to meet his/her academic responsibilities.**

**Documentation shall be submitted, as soon as possible, to the appropriate Dean's office (the Office of the Dean of the student's Faculty of registration/home Faculty) together with a request for relief specifying the nature of the accommodation being requested.** These documents will be retained in the student's file, and will be held in confidence in accordance with the University's Official Student Record Information Privacy Policy [<http://www.uwo.ca/univsec/handbook/general/privacy.pdf>].

**Once the petition and supporting documents have been received and assessed, appropriate academic accommodation shall be determined by the Dean's Office in consultation with the student's instructor(s).** Academic accommodation may include extension of deadlines, waiver of attendance requirements for classes/labs/tutorials, arranging Special Exams or Incompletes, re-weighting course requirements, or granting late withdrawals without academic penalty.

**Academic accommodation shall be granted only where the documentation indicates that the onset, duration and severity of the illness are such that the student could not reasonably be expected to complete his/her academic responsibilities. (Note: it will not be sufficient to provide documentation indicating simply that the student was seen for a medical reason or was ill.) A form to be completed by off-campus physicians is available at: <http://counselling.ssc.uwo.ca/forms/medicalnote.pdf>**

Whenever possible, students who require academic accommodation should provide notification and documentation **in advance of due dates, examinations**, etc. Students must follow up with their professors and their Academic Counselling office in a timely manner.

In the case of a final examination in the course, the student must arrange for a Special Examination or Incomplete through their Dean's office, for which you will be required to provide acceptable documentation.

If you feel that you have a medical or personal problem that is interfering with your work, you should contact your instructor and the Faculty Academic Counselling Office as soon as possible. Problems may then be documented and possible arrangements to assist you can be discussed at the time of occurrence rather than on a retroactive basis. In general, retroactive requests for grade revisions on medical or compassionate grounds will not be considered.

## **MAKE UP EXAMINATIONS**

The student must write a make-up quiz, mid-term or assignment if the regularly scheduled exam is missed for reasons for which adequate documentation is received by the instructor. The documentation must be supplied by the Academic Counselling office. The make-up may differ in format from the original quiz, mid-term or assignment.

Students involved with approved out-of-town university activities during the scheduled mid-term exam may apply to the course coordinator for special proctoring privileges to write the mid-term exam.

## **UNIVERSITY POLICY ON CHEATING AND ACADEMIC MISCONDUCT**

1. Cheating on exams will not be tolerated; students are referred to the university policy on scholastic offenses. Looking at the test of another student, allowing another student to view your exam, or obtaining information about a test in advance are all examples of cheating. Students found cheating will receive a zero (0%) on that exam. A number of safeguards will be employed to discourage cheating. For example, examination supervisors (proctors) of the tests may ask students to move to another seat during the exam, cover their paper, avert their eyes from other students' papers, remove baseball caps, etc. This is not meant as a personal affront nor as an accusation of cheating, rather as vigilant attempts at proctoring. A copy of guidelines about how to avoid cheating can be obtained from the office of the Ombudsperson, Room 251 University Community Centre, (519) 661-3573.
2. Students are responsible for understanding the nature of and avoiding the occurrence of plagiarism and other academic offenses. Students are urged to read the section on Scholastic Offenses in the Academic Calendar. Note that such offenses include plagiarism, cheating on an examination, submitting false or fraudulent assignments or credentials, impersonating a candidate, or submitting for credit in any course without the knowledge and approval of the instructor to whom it is submitted, any academic work for which credit has previously been obtained or is being sought in another course in the University or elsewhere. If you are in doubt about whether what you are doing is inappropriate, consult your instructor. A claim that "you didn't know it was wrong" will not be accepted as an excuse.
3. The penalties for a student guilty of a scholastic offense include refusal of a passing grade in the assignment, refusal of a passing grade in the course, suspension from the University, and expulsion from the University.

## **PROCEDURES FOR APPEALING ACADEMIC EVALUATIONS**

In the first instance, all appeals of a grade must be made to the course instructor (informal consultation). If the student is not satisfied with the decision of the course instructor, a written appeal must be sent to the Assistant Program Director or Designate of the DAN Program. If the response of the Assistant Director is considered unsatisfactory to the student, he/she may then appeal to the Dean of the Faculty in which the course of program was taken. Only after receiving a final decision from the Dean, may a student appeal to the Senate Review Board Academic. A Guide to Appeals is available from the Ombudsperson's Office.

## SUPPORT SERVICES

1. The Registrar's office can be accessed for Student Support Services at <http://www.registrar.uwo.ca>. Student Support Services (*including the services provided by the USC listed here*) can be reached at: <http://westernusc.ca/services/>  
Student Development Services can be reached at: <http://www.sdc.uwo.ca>.
2. Students who are in emotional/mental distress should refer to Mental Health@Western <http://www.uwo.ca/uwocom/mentalhealth/> for a complete list of options about how to obtain help."

## IMPORTANT DATES

September 4, 2014	Fall Term classes begin.
September 12, 2014	Last day to ADD a first-term half course without a penalty.
October 13, 2014	Thanksgiving Holiday
October 30-31, 2014	Fall Study Break
November 5, 2014	Last day to DROP a first-term half course without a penalty.
December 3, 2014	Fall Term classes end
December 4-5 2014	Study Days
December 6-17, 2014	Mid-year examination period

## EXAM POLICIES INFORMATION

- Bring student identification to exams
- Nothing is to be on/at one's desk during an exam except a pencil, a pen, an eraser, a non-programmable calculator and the individual's student card
- Do not wear baseball caps to exams.
- **Do not bring music players, cell phones, beepers, or other electronic devices to exams**

**For the University of Western Ontario Senate Regulations, please see the Handbook of Academic and Scholarship Policy at:**  
<http://www.uwo.ca/univsec/handbook/>

## EMAIL POLICY

For privacy reasons, students must use their Western email accounts to contact the course instructor. The course instructor will not respond to emails from non-uwo.ca addresses (e.g. hotmail.com, gmail.com, etc.).

**Tentative Assignment Schedule .....Changes may be made in class**

Week of	Session	Topic and Assignment
Sept 8	1	<b>Introduction</b> <b>The Demand for an Auditing &amp; Assurance Profession</b> <b>The Public Accounting Profession</b> Read: Ch 1 & 2 Discussion questions: 1-13, 1-21, 2-20
Sept 15	2	<b>Professional Relationships: Ethics &amp; Independence</b> <b>Legal Liability</b> Read: Ch 3 & 4 , vignette page 47 Discussion questions: 3-17, 3-24, 4-18, 4-21
Sept 22	3	<b>Audit Responsibilities and Objectives</b> <b>Client Risk Profile and Documentation</b> Read: Ch 5 & 6, & vignette pages 101 & 155 Discussion questions: 5-21, 5-26, 5-29 (a & c only)
Sept 29	4	<b>Client Risk Profile and Documentation (con't)</b> <b>Audit Evidence</b> Read: Ch 8 vignette page 214 Discussion questions: 6-24, 6-28, 8-23, 8-24, 8-27
Oct 6	5	<b>Materiality and Risk</b> <b>Internal Controls &amp; Control Risk</b> Read: Ch 7 & 9, vignette page 253 Discussion questions: 7-19, 7-23, 7-25
Oct 13	6	<b>Internal Controls &amp; Control Risk (continued)</b> Discussion questions: 9-32, 9-34, 9-40  <b>REVIEW: CHAPTERS 1-9</b>
Oct 20	7	<b>MIDTERM Examination (IN CLASS)</b> <b>Tuesday, October 21, 2014</b> <b>S001 – 8:30 –11:20 am in SSC room 3006 (A-Q)</b> <b>SSC room 4317 (R-Z)</b> <b>S002 – 12:30 – 3:20 pm in SSC room 3022</b>

Oct 27	8	<b>Audit Strategy and Audit Program</b> <b>Audit Sampling Concepts</b> Read: Ch 10 & 11, vignette page 336 Discussion questions: 10-21, 10-23, 10-25, 11-20, 11-22
Nov 3	9	<b>R/R/R Tests of Controls</b> <b>R/R/R Completing the Test</b> Read: Ch 12 & 13, vignettes pages 361 & 409 Discussion questions: 12-22, 12-25, 13-21, 13-32
Nov 10	10	<b>Audit of Acquisition and Payment Cycle</b> Read: Ch 16 & vignette page 409 Discussion questions: 16-21, 16-25, 16-27
Nov 17	11	<b>S001 - CLASS WILL BE HELD IN SSC 1032</b> <b>S002- CLASS WILL BE HELD IN SSC 1032</b> <b>Audit of Cash Balance</b> Read: Ch 14 pages 454-462 and vignette page 450 <i>Bank confirmation activity (5%)</i>
Nov 24	12	<b>Audit of Inventory &amp; Warehouse Cycle</b> <b>Completing the audit</b> Read: Ch 17 & 19, vignette pages 535 & 572 Discussion questions: 17-17, 17-18
<b>Nov 27</b>		<b>Assignment due November 27 at 1:00 pm</b>
Dec 1	13	<b>Completing the Audit (continued)</b> <b>Auditor Reporting</b> Read: Ch 20 Discussion questions: 19-25, 19-26, 20-21, 20-25  <b>Review: Chapters 10-14, 16, 17, 19, 20</b>
<b>Dec 6-17</b>		<b>Final Exam - TBD</b>