



Business Administration

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| Course Number: | BUAD 463 |
| Course Title: | INTERNAL CONTROL AND AUDITING |
| Credits: | 3 |
| Calendar Description: | Learners develop and evaluate an internal control system and learn how to conduct an audit. Learners apply audit techniques by completing an audit case scenario using a working paper software program. <i>(also offered by Distance Education)</i> |
| Semester and Year: | WINTER 2020 |
| Prerequisite(s): | BUAD 363 |
| Corequisite(s): | No |
| Prerequisite to: | No |
| Final Exam: | Yes |
| Hours per week: | 3 |
| Graduation Requirement: | BBA, Accounting Specialty - Elective |
| Substitutable Courses: | No |
| Transfer Credit: | CPA (credit with BUAD 363) |
| Special Notes: | Students with credit for BUAD 364 or BUAD 420 cannot take BUAD 463 for additional credit. |
| Originally Developed: | October 2014 |
| EDCO Approval: | May 2017 |

Chair's Approval:

A handwritten signature in blue ink, appearing to read "Hempel".

Professors

| Name | Phone number | Office | Email |
|--|---------------------------|---------|--|
| <i>Mary Ann Knoll</i> <i>Course Captain</i> | 250-762-5445 ext. 4363 | K: C135 | mknoll@okanagan.bc.ca |

Learning Outcomes

Upon completion of this course students will be able to

- implement internal controls which prevent or detect misstatements in a business environment.
- design tests for the cycles and accounts listed in the course objectives using Canadian Auditing Standards.
- describe procedures completed at end of engagement using Canadian Auditing Standards.
- differentiate between audit engagement and other engagements performed in public practice.

Course Objectives

This course will cover the following content:

- Sales and collection cycle, and accounts receivable
- Acquisition and payment cycle, and accounts payable, accruals, capital assets, and related party transactions
- Human resource and payroll cycle, and payroll liabilities, payroll accruals, and payroll expenses
- Inventory and distribution cycle
- Capital acquisition and repayment cycle, and notes payable, share capital, retained earnings and dividends
- Cash
- Audit completion
- Review and compilation engagements
- Special reports
- Working paper software program

Evaluation Procedure

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| Term Work: CaseWare Case Quizzes Special Reports Presentation | 20% 5% 5% |
| Mid-term Exam | 30% |
| Final Exam | 40% |
| Total | 100% |

Notes

Students will need CaseWare data file used in BUAD 363 and will utilize CaseWare 2018 both inside and outside of class

Required Texts/Resources

Auditing: The art and science of assurance engagements, 14th Canadian Edition, Arens, Pearson, 2019.
CICA standards and guidance collection, chartered professional accountants Canada, link provided via Moodle

Course Schedule

| Date | | Topic | Textbook |
|-----------------|-------|---|-------------------|
| 2020 Week of | | Monday, January 6 – First Day of Classes Monday, February 17 – Family Day Tuesday, February 18 – Friday, February 21 – Reading Break Thursday, April 9 – Last Day of Regular Classes | |
| Jan | 6-11 | CW: Introductory Lab Develop Risk Response – Audit Strategy and Audit Program | Ch 10 |
| | 12-18 | CW: Task 1 Part 1 – Audit Strategy Audit of the Revenue Cycle | Ch 12 |
| | 19-25 | CW: Task 1 Part 2 – Sales Control Testing Audit of the Revenue Cycle | Ch 12 |
| Jan/Feb | 26-1 | CW: Task 2 – Testing A/R Confirmations Audit of the Acquisition and Payment Cycle | Ch 13 |
| Feb | 2-8 | CW: Task 3a - Out of period testing Audit of the Acquisition and Payment Cycle | Ch 13 |
| | 9-15 | CW: Task 3b - Expense Analysis Audit of the Inventory and Distribution Cycle | Ch 14 |
| | 16-22 | READING BREAK (<i>Feb 18-22 – no classes</i>) | |
| Feb/Mar | 23-29 | CW: Task 4 - Inventory testing Mid-term Exam (Chapters 10 -14) | Ch 14 |
| Mar | 1-7 | Audit of the Human Resources and Payroll Cycle Audit of the Capital Acquisition and Payment Cycle | Ch 15 Ch 16 |
| | 8-14 | Audit of Cash Balances – Bank Reconciliation Procedures | Ch 17 |
| | 15-21 | CW: Task 5 – Audit of the Bank Rec Completing the Audit | Ch 18 |
| | 22-28 | CW: Task 6 - Summary of Unadjusted Misstatements Other Assurance and Non-assurance Services | Ch 18 Ch 20 |
| Mar/Apr | 29-4 | CW: Task 7 – Developing an Audit Opinion Other Assurance and Non-assurance Services Special Reports | Selected Readings |
| Apr | 5-9 | Special Reports - Presentations | Selected Readings |
| Apr | 14-24 | FINAL EXAM PERIOD | |

SKILLS ACROSS THE BUSINESS CURRICULUM

The Okanagan School of Business promotes core skills across the curriculum. These skills include reading, written and oral communications, computers, small business, and academic standards of ethics, honesty and integrity.

STUDENT CONDUCT AND ACADEMIC HONESTY

What is the Disruption of Instructional Activities?

At Okanagan College (OC), disruption of instructional activities includes student “conduct which interferes with examinations, lectures, seminars, tutorials, group meetings, other related activities, and with students using the study facilities of OC”, as well as conduct that leads to property damage, assault, discrimination, harassment and fraud. Penalties for disruption of instructional activities include a range of sanctions from a warning and/or a failing grade on an assignment, examination or course to suspension from OC.

What is Cheating?

“Cheating includes but is not limited to dishonest or attempted dishonest conduct during tests or examinations in which the use is made of books, notes, diagrams or other aids excluding those authorized by the examiner. It includes communicating with others for the purpose of obtaining information, copying from the work of others and purposely exposing or conveying information to other students who are taking the test or examination.”

Students must submit independently written work. Students may not write joint or collaborative assignments with other students unless the instructor approves it in advance as a group/team project. Students who share their work with other students are equally involved in cheating.

What is Plagiarism?

Plagiarism is defined as “the presentation of another person’s work or ideas without proper or complete acknowledgement.” It is the serious academic offence of reproducing someone else’s work, including words, ideas and media, without permission for course credit towards a certificate, diploma, degree and/or professional designation. The defining characteristic is that the work is not yours.

“Intentional plagiarism is the deliberate presentation of another’s work or ideas as one’s own.” Intentional plagiarism can be a copy of material from a journal article, a book chapter, data from the Internet, another student, work submitted for credit in another course or from other sources.

“Unintentional plagiarism is the inadvertent presentation of another’s work or ideas without proper acknowledgement because of poor or inadequate practices. Unintentional plagiarism is a failure of scholarship; intentional plagiarism is an act of deceit.”

What are the Students’ Responsibilities to Avoid Plagiarism?

Students have a responsibility to read the OC Plagiarism Policy and Procedures outlined in the OC calendar, which is available in online format www.okanagan.bc.ca. Students must acknowledge the sources of information used on all their assignments. This usually involves putting the authors’ name and the year of publication in parentheses after the sentence in which you used the material, then at the end of your paper, writing out the complete references in a Reference section.

“Students are responsible for learning and applying the proper scholarly practices for acknowledging the work and ideas of others. Students who are unsure of what constitutes plagiarism should refer to the UBC publication “*Plagiarism Avoided; Taking Responsibility for your Work*”. This guide is available in OC bookstores and libraries.

Students are expected to understand research and writing techniques and documentation styles. The Okanagan School of Business requires the use of the APA or MLA style, but suggests that students cite references using the APA guidelines (see Publication Manual of the American Psychological Association, 7th edition (2019)). A copy of the APA manual is available in the reference section and also available for circulation from OC libraries. The library website has access to these two major citing styles.

What are the Penalties for Plagiarism and Cheating?

The Okanagan School of Business does not tolerate plagiarism or cheating. All professors actively check for plagiarism and cheating and the Okanagan School of Business subscribes to an electronic plagiarism detection service. All incidents of plagiarism or cheating are reported and result in a formal letter of reprimand outlining the nature of the infraction, the evidence and the penalty. The Dean of the Okanagan School of Business and the Registrar record and monitor all instances of plagiarism and cheating. Penalties for plagiarism and cheating reflect the seriousness and circumstances of the offence and the range of penalties includes suspension from OC.
