

## COURSE OUTLINE / Competency based approach

Internal Control and Auditing
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Course title

Business and Management DCS
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Program title(s) or component of General Education

Administration
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Discipline

410-553-MV	2-1-2	1,66
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Course code

Weighting

Credits

Michel Beauregard		info@michelbeauregard.com
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Teacher

Office number

Telephone number and e-mail

Multicultural Education Center	Patrice robitaille
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Department

Department Coordinator

2008	Winter
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School Year

Semester

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**GENERAL COURSE DESCRIPTION**

- *How and where the course fits into the student's program*
- *Targeted competency or competencies in the course*
- *Links with other courses, i.e. courses contributing to developing the same competencies*
- *Prerequisites for this course, if any*
- *Relevance of this course for the student*

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**General course description:**

This course Internal control and auditing introduces students to fundamental auditing concepts, principles and procedures. It addresses issues concerning regulations, audit risk, materiality, characteristics of evidence, internal control, sampling, analytical procedures, frauds and auditing theory.

This course allows students to become familiar with the basic concepts of auditing and internal control by developing the following elements of the competency:

- To understand the concepts, processes and assessment of internal control
- To understand *Generally Accepted Auditing Standards* and the professional and ethical responsibilities of the independent public accountant.
- To understand risk assessment and its importance in the audit function.
- To demonstrate the ability to plan and document the planning of the audit including the initial risk assessment, calculation of materiality and preparation of audit programs.
- To develop an understand the ethical decisions that an auditor must make in the conduct of the audit from the client acceptance phase throughout the audit to the reporting process.

These are the essential elements for a successful career in internal auditing and indeed in the business professional world.

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LEARNING TARGET

➤ *Task to be completed by the student at the end of the course, as it is related to the competency or competencies*

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LEARNING TARGET:

This course is designed to prepare students to be a professional internal auditor. To accomplish this objective technical information will be presented as well as evaluating your analytical and communication skills.

Class participation and preparation of homework assignments are critical to understanding auditing concepts. Students are expected to be in attendance and arrive on time. Late arrival disrupts the class in progress, which is inconsiderate to your colleagues. Students are expected to read the assigned material prior to the class period in which it is discussed and are expected to prepare homework assignments prior to the class period in which they are due. Based on the class discussions, homework problems will be assigned during class. If students are absent from class, it is their responsibility to contact a colleague to find out what transpired in class during their absence.

At the end of this course, students will acquire the necessary skills in general audit principles and procedures with a slight bias towards financial statements audits. Additionally, the coverage of internal control will provide students with a general framework which is applicable in the establishment of any properly structured business.

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STAGES OF LEARNING

- *Progressive stages showing the logical learning sequence for the student, in order to reach the course learning target*
- *For each stage of learning, specify the*
  - ✎ *learning objectives*
  - ✎ *essential course contents*
  - ✎ *teaching and learning strategies*
  - ✎ *relative length of the stage*

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STAGES OF LEARNING:

At the end of the course, the student will achieve the following objectives :

**1/ To understand and describe standards and liability**

- The Role of the Public Accountant in the Canadian Economy
  - Role of auditing
  - Assurance services
  - The demand for audits
  - The accounting profession's credibility crisis in the 21st century
- Professional Standards
  - Auditing Standards for Public and non-public Companies
  - Auditors' responsibility for detecting misstatements
  - The auditors' standard unqualified report for non-public companies
  - Attestation standards
- Professional Ethics
  - Nature of Ethics
  - Details of the Principles of the Code
  - Details of the Rules
  - Ethics for internal auditors

**2/ To restrict audit risk**

- Planning the Audit; Linking Audit Procedures to Risk
  - Client acceptance
  - Audit planning
  - Linking audit procedures to risks
  - Organisation of the audit program
  - The audit process
  - Timing of audit work
- Internal Control
  - Overview of internal control
  - Control environment
  - Risk Assessment

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The accounting information system  
Control activities  
The auditors' consideration of internal control  
Communication of control structure related matters  
Internal control in a small company

### **3/ To detail Account and Cycle Analysis**

- Cash and financial investments
  - The Auditors' objectives in the audit of cash
  - Financial investments
  - Audit program for financial investments
- Accounts Receivable, Notes Receivable, and Revenues
  - The sales and collections cycle
  - Internal control of notes receivable
  - Review of internal control over cash receipts
  - Audit program for receivables and sales transactions
- Accounts Payable and Other Liabilities
  - Audit of liabilities contrasted with the audit of assets
  - Meaning of accounts payable
  - Internal control over the acquisition cycle
  - Audit program
- Debt and Equity Capital
  - Interest-bearing debt
  - Equity capital
  - Liability representations

### **4/ To describe the standard audit report for public and non-public entity audits**

- Auditing operations and completing the audit
  - The auditors' approach to examining operations
  - Completing the audit
- Auditors' Reports
  - The fourth standard of reporting
  - Alternative types of auditors' reports
  - Reports on comparative statements

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**Detailed Schedule**

Week 1		The Role of the Public Accountant in the Economy
2		Professional Standards / Professional Ethics
3		Planning the Audit; Linking Audit Procedures to Risk
4		Internal Control
5		Cash and Financial Investments
6		Mid term assignment
7		Accounts Receivable,
8		Notes Receivable,
9		Revenue
10		Accounts Payable and Other Liabilities/ Debt and Equity Capital
11		Auditing operations and completing the audit
12		Auditors' Reports
13/14/15		<b>Present final project</b>

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EVALUATION OF ACQUIRED SKILLS AND  
KNOWLEDGE

- *Evaluations during the course of the session to prepare the student for the final examination*
  - A. *Formative evaluations*
  - B. *Final evaluations*
    - ↳ *nature and description of the evaluations*
    - ↳ *date*
    - ↳ *marks awarded*
    - ↳ *evaluation criteria*
    - ↳ *time required by the student*
- *Showing how the final examination relates to the learning target*

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EVALUATION OF ACQUIRED SKILLS AND KNOWLEDGE:

Mid term Exam:	30%
Individual Project:	30%
Final Group Project:	<u>40%</u>
	100%

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SCHEDULE OF LEARNING ACTIVITIES AND EVALUATIONS

Week of teaching	Work to be done by the student (to prepare for the course)	Nature of the evaluations	Evaluation of
Every Week	Exercise Practical in the Internet	Formative evaluation	
	Tests comprehension		
	Midterm Exam	Evaluated at 30%	
	Individual Project	Evaluated at 30%	
	Final project and presentation	Evaluated at 40%	



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**SPECIFIC COURSE REQUIREMENTS**

- *Application requirements of the PIEA; the following components must be included in the course outline*
  - ✎ *Class attendance (4.7.3)*
  - ✎ *Submission of assignments (4.4.2)*
  - ✎ *Evaluation of the English language (4.6.2)*
  - ✎ *Presentation of assignments (4.4.4)*
  
- *Specific evaluation requirements approved by the Commission des études, if any*
  - ✎ *article 4.2.5, article 4.2.6, article 4.3.2 and article 4.6.2*

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**SPECIFIC COURSE REQUIREMENTS:**

This course will be evaluated through various projects. Late assignments will be penalized.

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**BIBLIOGRAPHY**

- *Required readings*
- *Recommended readings*

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**BIBLIOGRAPHY :**

**Required readings**

O,RAY WHITTINGTON, **Principals of Auditing and other Assurance Services**, 15e Edition,  
McGraw-Hill Ryerson, ISBN 0-07-3010-847