

COURSE CODE: BUAD 463

COURSE TITLE: Internal Control and Auditing

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. (also offered by Distance Education)

Prerequisite(s): BUAD 366, 273

Co-requisite(s): None

Prerequisite For: None

Substitutable Courses: None

Graduation Requirement: BBA - Accounting Specialty Elective

Transfer Credit: CPA (credit with BUAD 363)

Special Notes: Students with credit for BUAD 364 or BUAD 420 cannot take BUAD 463 for further credit.

Credits: 3

Hours per Week: 3

Originally Developed: October 2014

EDCO Approval: May 2017

CHAIR'S APPROVAL: 

Learning Outcomes

Outcome	Upon completion of this course students will be able to:
1	Implement internal controls which prevent or detect misstatements in a business environment.
2	Design tests for the cycles and accounts listed in the course objectives using Canadian Auditing Standards.
3	Describe procedures completed at end of engagement using Canadian Auditing Standards.
4	Differentiate between audit engagement and other engagements performed in public practice.

Course Objectives

Objectives	This course will cover the following content:
1	Sales and collection cycle, and accounts receivable
2	Acquisition and payment cycle, and accounts payable, accruals, capital assets, and related party transactions
3	Human resource and payroll cycle, and payroll liabilities, payroll accruals, and payroll expenses
4	Inventory and distribution cycle
5	Capital acquisition and repayment cycle, and notes payable, share capital, retained earnings and dividends
6	Cash
7	Audit completion
8	Review and compilation engagements
9	Special reports
10	Working paper software program

Professors

Name	Phone Number	Office	Email
Mary Ann Knoll (Course Captain)	ext. 4363	C135	mknoll@okanagan.bc.ca

Evaluation Procedure

Term Work

CaseWare Case	20 %
Pre & Post Classwork	15 %
Special Reports Presentation	5 %
Midterm Exam	25 %
Final Exam	35 %
Total	100 %

Acceptable and approved use of Artificial Intelligence (AI) in this course

Generative AI tools are not permitted unless explicitly stated otherwise

The use of generative artificial intelligence tools is strictly prohibited in all course assignments and evaluations (quizzes and exams) unless explicitly stated otherwise by the instructor in this course. This includes ChatGPT and other artificial intelligence tools and programs. Whenever generative AI tools are permitted and used, they must be appropriately cited. (See [How to cite ChatGPT \(apa.org\)](#))

Required Materials

Auditing, A Practical Approach - 4th Canadian Edition, Moroney 2021, with WileyPlus.
This text is available in an online format with permanent access or a print format.

CPA Standards and Guidance Collection, Assurance, Canada, 2024 Edition, See Moodle for link CICA standards and guidance collection, chartered professional accountants Canada, link provided via Moodle

Notes

Online Delivery format: students will require a computer, stable Internet connection, webcam and microphone. For the online format, students will find that the instruction for CaseWare and access to the software will be almost entirely outside of class time. Students will have substantial pre-class work in this format.

Students will need to be able to access CaseWare software outside of class time as noted above. There will be two options for this – students will have the opportunity to download the software to their personal computer provided it is a Windows based environment. Students will also be able to access CaseWare through any of the OC library computers.

Students will need CaseWare data file used in BUAD 363. For students who took BUAD 363 prior to Fall of 2023, a CW data file will be provided which includes all forms for BUAD 363, however none of the activities from BUAD 363 will be complete.

Course Schedule

(Subject to change at the discretion of the professor)

Date		Topic	Textbook
2024 Week of:		Wednesday, September 4th, First day of class Friday, September 13th, Last day to register for Fall 2024 Monday, September 30th, Statutory Holiday (no classes) Monday, October 14th, Statutory Holiday (no classes) Friday, October 25th, Last day to withdraw from class without academic penalty Monday, November 11th, Statutory Holiday (no classes) Friday, December 6th, Last day of class Tuesday, December 10th – Friday, December 20th, Final Exam Period	Chapter(s):
Sept	4-7	Review and Audit Strategy CW – Performing a compilation <i>No class this week, all work completed on own</i>	Moodle
	8-14	Audit Strategy Auditing Sales and Receivables Audit Case – Audit Strategy	Ch 10
	15-21	Auditing Sales and Receivables Audit Case – Tests of Controls	Ch 10
	22-28	Auditing Purchases, Payables and Payroll Audit Case – A/R Confirmation Testing	Ch 11
Sept/Oct	29-5	Auditing Purchases, Payables and Payroll Audit Case – Payables and expenses Testing	Ch 11
	6-12	Auditing PPE Audit Case – Payables and expenses Testing	Ch 12
	13-19	Midterm Exam – Chapters 10, 11, 12 PPE Only	
	20-26	Auditing Inventories Audit Case - Lower of Cost and NRV Testing	Ch 12
Oct/Nov	27-2	Auditing Cash and Investments	Ch 13
Nov	3-9	Auditing Cash and Investments Audit Case – Testing of the Bank Reconciliation	Ch 13
	10-16	Data Analytics Auditing Debt and Equity	Ch 9 Moodle
	17-23	Completing and Reporting on the audit Audit Case – Summary of Identified Misstatements	Ch 14
Nov/Dec	24-30	Other Engagements Special Reports Presentation Preparation Time	Ch 14
Dec	1-7	Other Engagements Special Reports Presentations	Ch 14
	10-20	Final Exam - Comprehensive	

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, 6th edition (2009)). 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.