

**COURSE CODE:** BUAD 463

**COURSE TITLE:** Internal Control and Auditing

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**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 363, 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

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**CHAIR'S APPROVAL:** 

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## 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	Contact by email	C135	<a href="mailto:mknoll@okanagan.bc.ca">mknoll@okanagan.bc.ca</a>

## Evaluation Procedure

### Term Work

CaseWare Case	20 %
Pre & Post Classwork	15 %
Special Reports Presentation	5 %
Midterm Exam	20 %
Final Exam	40 %
<b>Total</b>	<b>100 %</b>

### Evaluation Note:

The midterm will be online **however the final exam will be in person, written on the date specified in the final exam schedule.**

### 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, Microsoft Co-Pilot 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, 2025 Edition, See Moodle for link CICA standards and guidance collection, chartered professional accountants Canada

### Class Delivery 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 are expected to attend class and participate.

**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 can continue to use the Carmelo Estates Ltd. CaseWare data file used in BUAD 363. For students who took BUAD 363 prior to Winter of 2025, 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
2025 Week of:		Wed, Sep 3 - Classes begin Fri, Sep 12 - Add/drop date - Last day to register for a course and last day to receive a refund for course drop <b>Tue, Sep 30 - Statutory Holiday (no classes)</b> <b>Mon, Oct 13 - Statutory Holiday (no classes)</b> Fri, Oct 24 - Last day to withdraw from a course without academic penalty <b>Mon, Nov 10 - No classes</b> <b>Tue, Nov 11 - Statutory Holiday (no classes)</b> Fri, Dec 5 - Last day of regularly scheduled classes Tue, Dec 9 - Thu, Dec 18 - Final exam period – see <a href="#">policy</a> .	Chapter(s):
<b>Sept</b>	3-6	Review CW – Performing a compilation	Moodle
	7-13	Audit Strategy Auditing Sales and Receivables Audit Case – Audit Strategy	Moodle Ch 10
	14-20	Auditing Sales and Receivables Continued Audit Case – Tests of Controls in the Sales Cycle	Ch 10
	21-27	Auditing Sales and Receivables Continued Auditing Purchases, Payables and Payroll Audit Case – A/R Confirmation Testing	Ch 10 Ch 11
	28-04	Auditing Purchases, Payables and Payroll	Ch 11
<b>Oct</b>	5-11	Midterm Exam (Audit Strategy, Ch 10, 11) Audit Case – Payables and expenses Testing	
	12-18	No classes	
	19-25	Auditing Inventories Audit Case - Lower of Cost and NRV Testing	Ch 12
	26-1	PPE, Debt & Equity Financing	Ch 12, Moodle
<b>Nov</b>	2-8	Auditing Cash and Investments Audit Case – Auditing the Bank Reconciliation	Ch 13
	9-15	No classes Data Analytics work through activities	Ch 9
	16-22	Completing and Reporting on the audit Audit Case – Summary of Identified Misstatements	Ch 14
	23-29	Other Engagements – Review and Compilation Special Reports Presentation Preparation Time	Ch 14
<b>Dec</b>	30-6	Other Engagements Special Reports Presentations	Ch 14
	9-18	Final Exam - Comprehensive	

## Skills Across the Business Curriculum

The 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

### 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.

**Academic Honesty:** Students have a responsibility to read the [OC Academic Integrity Policy](#).

### 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 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 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, 6<sup>th</sup> edition (2009)). A copy of the APA manual is available in the reference section and 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 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.