Instructor(s): Fred Pries, PhD, CPA, CA  
Room: 215A, J.D. MacLachlan Building, Ext 56107  
Email: fpries@uoguelph.ca  
Office Hours: Mondays 2:00 p.m. to 4:00 p.m., or by appointment

Class Times and Location:  
Section 01 Tuesdays and Thursdays 10:00 a.m. to 11:20 a.m.  
Rozanski Hall Room 103  
Section 01 Tuesdays and Thursdays 11:30 a.m. to 12:50 p.m.  
J.D. MacLachlan Room 107

Course Description and Objectives:

This course examines current and advanced auditing issues and builds on the materials covered in ACCT*3280. The class takes a case based approach and requires integration and application of materials learned in your previous accounting and auditing courses. Topics include: auditor skepticism, auditor competence, auditor independence, risk assessment, fraud risk, materiality, complex revenue transactions, going concern, related party transactions, internal control assessments, corporate governance, management estimates, fair value, capitalization policies, reviews, compilations, small business audits, internal & comprehensive auditing, other assurance services, audit of not for profit organizations and Canadian assurance standard setting.

Primary learning objectives. By the end of the course, successful students should be able to:

- Assess an entity’s risk assessment procedures
- Advise on an entity’s assurance needs
- Assess issues related to the undertaking of an assurance engagement or project
- Assess which set of criteria to apply to apply to the subject matter being evaluated
- Assess materiality for an assurance engagement or project
- Assess risks of material misstatement
- Develop appropriate procedures based on identified risks of material misstatement
- Evaluate the evidence and results of analysis
- Draw conclusions and communicate results
- Prepare or interpret information and reports for stakeholders
- Demonstrate a cohesive process for using professional judgement to solve problems and make decisions
**Course Materials and Resources:**

This course uses a variety of materials and resources. One of your primary resources will be the course website (http://courselink.uoguelph.ca). All announcements, required and recommended readings, assignments and updates will be posted here. You will also be able to access any handouts you may have missed through this site. Check this site often.

The required textbooks are:

- *CICA Handbook*, Canadian Institute of Chartered Accountants.  
  
  Electronic access to the *CICA Handbook* can be obtained through the CourseLink site or the University of Guelph library site. Because the *Handbook* is constantly being updated, a hardcopy version would quickly become outdated and is not recommended.

- McDonald, Julie (2012), *Canadian Assurance Cases*, John Wiley Sons Canada.

In addition to the above, you may find it helpful when conducting case analyses to refer back to your introductory auditing text (or any current introductory auditing text).

**On-Line Communication:**

When I wish to contact you by e-mail, I will do so through your University of Guelph e-mail account. You are responsible for monitoring e-mail posted to your University of Guelph e-mail account on a regular basis.

When you contact me by e-mail, I will respond within 2 business days.

**Course Philosophy and Approach:**

My goal for this course is to help you develop a set of knowledge and skills that entry-level assurance practitioners should possess. Accordingly there will be strong emphasis on cases to give you practice at applying auditing theory and practices.

*In class, most of your time will be spent in group interaction. This enables you to share ideas and to improve communication skills. Through interaction, you will discover for yourself the meaning of concepts, the subtleties inherent in everyday audit situations, and the rationales for various solutions to auditing and accounting problems. To achieve effective interaction, I have three expectations:*

1. **Prepare.** You are expected to read assigned material in advance and to be fully prepared for class discussion.

2. **Attend.** Because interaction is central, and also because your fellow group members will be relying on you for ideas, I expect you to attend every class. Valid reasons for absence include serious illness and family emergencies. Studying for exams and completing assignments are not valid reasons to miss class.

3. **Contribute.** You are expected to actively contribute to group case discussions and to participate in presenting your group’s analysis when called on.
## Course Schedule and Key Dates:

<table>
<thead>
<tr>
<th>Class</th>
<th>Date</th>
<th>Topic</th>
<th>Pre-Class Activities/Readings</th>
<th>In-Class Activities and Assessments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Sep 5</td>
<td>Course Introduction</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>2</td>
<td>Sep 10</td>
<td>Introduction to Case Analysis</td>
<td>McDonald: Chapters 1 and 2</td>
<td>—</td>
</tr>
</tbody>
</table>
| 3     | Sep 12 | Auditor Skepticism, Competence and Independence                       | CAS 200  
Handbook of the Code of Ethics for Professional Accountants (International Ethics Standards Board for Accountants), paragraphs 100.1 to 100.22 and 200.1 to 200.8 | Audits of Zungui Haixi Corporation  
Fore!                                                                                              |
| 4     | Sep 17 | Risk Assessment, Fraud Risk and Materiality                          | CAS 240  
CAS 300  
CAS 315  
CAS 320 | McDonald: Sparky’s                                                                                       |
| 5     | Sep 19 | Risk Assessment, Fraud Risk and Materiality                          | CAS 410                                                                                     | Enhancing Auditors’ Ability to Identify Opportunities to Commit Fraud                                |
| 6     | Sep 24 | Auditing Complex Revenue Transactions                                 | CICA Handbook Part II: 3400 Revenue  
CICA Handbook Part I: IAS 18 Revenue                                                              | McDonald: Blue Skies                                                                                     |
| 7     | Sep 26 | Auditing Complex Revenue Transactions                                 | —                                                                                         | McDonald: Movies R Us                                                                                  |
| 8     | Oct 1  | Auditing Going Concern and Related Party Transactions                 | CAS 550  
CAS 570  
CAS 706 | McDonald: Time on Our Side                                                                              |
| 9     | Oct 3  | Auditing Going Concern and Related Party Transactions                 | IAASB ED on Auditor Reporting – Going Concern sections                                     | McDonald: Apple Printing                                                                                   |
| 10    | Oct 8  | Internal Control Assessment and Corporate Governance                  | CAS 315 (Appendix I)  
CAS 330  
CAS 265  
CAS 610 | McDonald: Smart Controls                                                                                   |
| 11    | Oct 10 | Internal Control Assessment and Corporate Governance                  | —                                                                                         | Bromley: Whonka Chocolate Company                                                                         |
| 12    | Oct 15 | Auditing Management Estimates, Fair Value and Capitalization Policies | CAS 540  
CAS 620 | Great Lakes Cruises                                                                                      |
<p>| 14    | Oct 22 | Midterm Examination                                                  | —                                                                                         | Midterm Exam                                                                                             |
| 15    | Oct 24 | Review and Compilation Engagements; Small Business Audits            | S8100 General Review Standard                                                              | Rest Assured                                                                                             |</p>
<table>
<thead>
<tr>
<th>Date</th>
<th>Topic</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>16 Oct 29</td>
<td>Review and Compilation Engagements; Small Business Audits</td>
<td>Canadian Public Accountability Board</td>
</tr>
<tr>
<td>17 Oct 31</td>
<td>Internal &amp; Comprehensive Auditing</td>
<td>S5025 Standards of Assurance Engagements; PS 5400 Value for Money Auditing</td>
</tr>
<tr>
<td>18 Nov 5</td>
<td>Internal &amp; Comprehensive Auditing</td>
<td>—</td>
</tr>
<tr>
<td>19 Nov 7</td>
<td>Other Assurance Services; Special Reports</td>
<td>S5800 Special Reports; S5815 Audit Reports on Compliance; S9100 Specified Auditing Procedures; S9110 Agreed-Upon Procedures</td>
</tr>
<tr>
<td>20 Nov 12</td>
<td>Other Assurance Services; Special Reports</td>
<td>—</td>
</tr>
<tr>
<td>21 Nov 14</td>
<td>Fraud and Forensic Auditing; Analytical Procedures</td>
<td>CAS 520; CAS 240</td>
</tr>
<tr>
<td>22 Nov 19</td>
<td>Presentations of Pair Assignment #2</td>
<td>—</td>
</tr>
<tr>
<td>23 Nov 21</td>
<td>Audit of Not for Profit Organizations; Canadian Assurance Standard Setting</td>
<td>IAASB ED on Auditor Reporting</td>
</tr>
<tr>
<td>24 Nov 26</td>
<td>Course Review</td>
<td>—</td>
</tr>
</tbody>
</table>

Note: The schedule of learning activities may require modification from time to time. Any changes will be announced in class and/or on the CourseLink site.
Method and Timing of Evaluation:

Your performance will be evaluated based on the following:

<table>
<thead>
<tr>
<th>Assignment/Examination</th>
<th>Date</th>
<th>Marks allocated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Case Preparation – Individual</td>
<td>All sessions</td>
<td>5%</td>
</tr>
<tr>
<td>Group Case Analysis – In class</td>
<td>All sessions</td>
<td>5%</td>
</tr>
<tr>
<td>Case Write-up and Peer Review</td>
<td>Sep 24/27</td>
<td>5%</td>
</tr>
<tr>
<td>Pair Case Assignment 1</td>
<td>Oct 3</td>
<td>10%</td>
</tr>
<tr>
<td>Midterm Examination</td>
<td>Oct 22</td>
<td>25%</td>
</tr>
<tr>
<td>Pair Case Assignment 2</td>
<td>Nov 12</td>
<td>10%</td>
</tr>
<tr>
<td>Final Examination</td>
<td>TBD</td>
<td>40%</td>
</tr>
</tbody>
</table>

**Case Preparation:** You are expected to have read each assigned case and the required readings for each session prior to coming to class. You should be prepared to discuss and analyse the cases assigned to each session. Prior to each session, you will be expected to prepare and submit a case outline on the CourseLink site. This is an individual activity.

**Group Case Analysis:** The primary focus of most class sessions will be groups actively working on the assigned case studies. At the end of each session, each group will be responsible for preparing a summary of their case analysis performed in a presentation format. Groups will be selected at random to present their case analysis to the entire class. In addition, the case analysis summary will be collected for all groups. This is a group activity.

**Case Write-up and Peer Review:** In order to give you practice at writing up a case before completing the pair assignments and examinations, a practice case will be assigned. You will be assigned a case and will be responsible for preparing and submitting your response by September 24. On September 24, you will be assigned another student’s write-up to review and provide feedback on. Your feedback is due on September 27. Your grade on this activity will be based on both the quality of your write-up and the quality of feedback provided to the other student. This is an individual activity.

**Pair Assignments:** You are expected to work in pairs and prepare a written response to an integrated audit case study. The case assignment details will be posted on CourseLink.

**Examinations:** Both the midterm and final examinations will consist of audit case analysis questions. The midterm will be held in class on October 22nd and will cover materials up to and including class 13. The final exam will be cumulative and will be held on **Tuesday December 11th (8:30 -10:30 a.m.)**.

Unless you have discussed an extension well ahead of the due date, late penalties of 5%/earned grade/day (including weekends) will be assigned. Extensions will only be granted on the basis of extenuating circumstances.

If you are registered with the Centre for Students with Disabilities and will require some form of accommodation in the completion of the required learning activities for this course, please meet with me during the first week of classes.

Keep a copy of all of your graded work until final marks have been recorded. You may be asked to resubmit your work at any time.
Policies and Regulations

All students are expected to abide by the University’s academic regulations in the completion of their academic work, as set out in the undergraduate calendar (see http://www.uoguelph.ca/registrar/calendars/undergraduate/current/c08/index.shtml). Some regulations are highlighted below:

Academic Misconduct:

The University of Guelph is committed to upholding the highest standards of academic integrity and directs all members of the University community – faculty, staff and students – to be aware of what constitutes academic misconduct and to do as much as possible to prevent academic offences from occurring. The University of Guelph takes a serious view of academic misconduct and it is your responsibility as a student to be aware of and to abide by the University’s policy. Included in the definition of academic misconduct are such activities as cheating on examinations, plagiarism, misrepresentation, and submitting the same material in two different courses without written permission.

To better understand your responsibilities, read the Undergraduate Calendar at: http://www.uoguelph.ca/registrar/calendars/undergraduate/current/c08/c08-amisconduct.shtml You are also advised to make use of the resources available through the Learning Commons (http://www.learningcommons.uoguelph.ca/) and to discuss any questions you may have with your course instructor, teaching assistant, Academic Advisor or Academic Counselor.

Students should be aware that faculty have the right to use software to aid in the detection of plagiarism or copying and to examine students orally on submitted work. For students found guilty of academic misconduct, serious penalties, up to and including suspension or expulsion from the University can be imposed.

Academic Consideration:

Students who find themselves unable to meet course requirements by the deadline or criteria expected because of medical, psychological or compassionate circumstances beyond their control, should review the regulations on Academic Consideration in the Undergraduate Calendar (http://www.uoguelph.ca/undergrad_calendar/c08/c08-ac.shtml) and discuss their situation with the instructor, Program Counsellor or Academic Advisor as appropriate.

Religious Holidays:

Should a student need to miss scheduled tests, mid-term examinations, final examinations, or requirements to attend classes and participate in laboratories for religious reasons, please advise the instructor within two weeks of the distribution of this course outline so that alternate arrangements can be made. For further information see http://www.uoguelph.ca/registrar/calendars/undergraduate/current/c08/c08-accomrelig.shtml