



# Rotman Commerce UNIVERSITY OF TORONTO

## Course Outline

RSM 323H1F

Auditing I

Spring 2019

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**Class Meets: L0101 (Wed: 1:00-3:00 WO20 ), L0201 (Wed: 3:00-5:00 WO20)  
L0301 (Friday 1:00-3:00 WO25)**

Ping Zhang

Instructor:

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Office Hours: Wednesdays 9:30am -10:30am in RT501

## Course Scope and Mission

The main objectives of this course are to help students understand what an auditor does; to explain how, where, and why audits are conducted and, most importantly, to acquaint students with the limitations of an audit.

Specific objectives include the following:

- Understanding Generally Accepted Auditing Standards
- Introducing the role of professional judgment in auditing
- Understanding how auditors communicate with the public
- Understanding how an audit is conducted
- Understanding the important role played by professional ethics and the effect of legal liability on the profession

By the end of the course, students should be able to understand the context and the process of audit well enough to plan an audit of a client. Students should also understand the nature of the audit function in accounting firms well enough that they can decide whether they wish to pursue a career in public accounting.

**Course Prerequisites** RSM221H1

## Course Materials

*CPA Canada Handbook - Assurance* (HB)

*Auditing: An International Approach* (7th Edition), [2016] Smieliauskas and Bewley (SB)

## Evaluation and Grades

Grades are a measure of the performance of a student in individual courses. Each student shall be judged on the basis of how well he or she has command of the course materials.

Participation in class discussions	5%
Quizzes	10%
Midterm Test	35%
Final Exam	<u>50%</u>
Total	100%

## Course format and expectations

### *1. Participation in class discussions*

Cases posted on the portal and assigned problems from the textbook are used in class discussions. Students are expected to come classes prepared by reading the background materials relating to the discussions prior to the class.

Class participation marks will be based on participation during discussions and homework take-up in class. For in-class discussions, students are expected to have read the chapter in advance to understand the basic concepts. Students should be prepared to contribute to the homework take-up by preparing answers in advance and by raising issues or concerns on their own initiative and by being able to respond to questions and issues raised by other students and the Professor. The success of the course for students depends on active, thoughtful participation and preparation by the members of the class. Attendance is a pre-requisite for participation. The mark each student receives will reflect the quantity and quality of that student's contribution to the course. Your participation will be graded based on the following scale:

Significant & meaningful contributions	4-5
Regular and useful contributions	3-4
Occasional contributions, regular attendance	2-3
Minimal contribution, regular attendance	1-2
Irregular attendance	0-1

Students should sign the attendance sheet at the beginning of class to monitor attendance. Participation and contribution will be assessed by the Professor.

### *2. Quizzes*

To help students review course materials and gauge their learning progress, **two** quizzes will be conducted during class time: one before mid-term [Week 5] and one after mid-term [Week 11]. Each quiz accounts for 5% of the course.

### *3. Midterm Test*

The midterm test will cover all materials covered by the date of the test. The test will consist of questions similar to the questions and problems in the [SB] book. The contents related to class discussions, relevant CPA Canada Handbook materials, and the assigned textbook chapters may be examined.

A student wishing to have his/her midterm test remarked must return the test to the instructor with an explanation within one week from the class the midterm was returned to the class. No tests, which were written in pencil or used white out will be remarked.

#### 4. Missed Quizzes or Midterm

Students who miss a test or assignment for reasons entirely beyond their control (e.g. illness) may submit a request for special consideration. The Request for Special Consideration Form and supporting documentation must be submitted in a timely manner in order for the request to be reviewed.

In such cases, students must notify the Rotman Commerce Program Office **on the date** of the course deliverable such as a missed test, or assignment missed class (in the case of participation marks), or due date. They must then complete a [Request for Special Consideration Form](#) and submit it along with supporting documentation (e.g. [Verification of Student Illness or Injury form](#)) to the Rotman Commerce Office within **2 business days** of the originally scheduled course deliverable. Students who do not provide appropriate or sufficient supporting documentation will be given a grade of 0 (zero) for the missed course deliverable.

Documentation submitted in support of petitions for missing tests and assignments must be original; no faxed or scanned copies will be accepted.

**Note that the physician's report must establish that the patient was examined and diagnosed at the time of illness, not after the fact. Rotman Commerce will not accept a statement that merely confirms a later report of illness made by the student to a physician.**

Students who legitimately miss the midterm test will have this mark re-weighted to the final exam.  
Students who legitimately miss quiz #1 will have this mark re-weighted to the midterm exam.  
Students who legitimately miss quiz #2 will have this mark re-weighted to the final exam.

#### 5. Final Examination

The final examination will cover material from the entire course. The final exam will consist of questions similar to the questions and problems in the [SB] book. The class discussions, assignments, referred Handbook materials, and assigned textbook chapters for the whole course may be examined.

#### Weekly Schedule

Class	Date	Topic	Readings
1	Jan. 9/11	Overview of professional practice	[SB] Chapters 1 & 2
2	Jan. 16/18	Auditor's ethical and legal responsibilities	[SB] Chapter 3
3	Jan. 23/25	Reports on audited financial statements	[SB] Chapter 4
4	Jan. 30/Feb. 1	Preliminary audit planning	[SB] Chapter 5
5	Feb. 6/8	Assessing risks <b>Quiz</b> —1 hour in class (Ch. 1-5)	[SB] Chapter 6
6	Feb. 13/15	Internal control over financial reporting	[SB] Chapter 7 & 8
8	Feb. 20/22	<b>Reading Week</b>	
7	Feb. 27/Mar. 1	Mid-term	(Details TBA)
8	Mar. 6/8	Audit evidence and assurance & control assessment	[SB] Chapter 8 & 9
9	Mar. 13/15	Audit sampling	[SB] Chapters 10
10	Mar. 20/22	Revenue, receivables, receipts	[SB] Chapter 11
11	Mar. 27/29	Purchases, payables, payments <b>Quiz</b> —1 hour in class (Ch. 6-11)	[SB] Chapter 12
12	Apr. 3/5.	Completing the audit	[SB] Chapter 15

## **Policy and procedure**

### ***1. Accessibility Needs***

The University of Toronto is committed to accessibility. If you require accommodations for a disability, or have any accessibility concerns about the course, the classroom or course materials, please contact Accessibility Services as soon as possible: [accessibility.services@utoronto.ca](mailto:accessibility.services@utoronto.ca) or <http://www.accessibility.utoronto.ca/>.

### ***2. Academic Integrity***

Academic Integrity is a fundamental value essential to the pursuit of learning and scholarships at the University of Toronto. Participating honestly, respectfully, responsibly, and fairly in this academic community ensures that the UofT degree that you earn will continue to be valued and respected as a true signifier of a student's individual work and academic achievement. As a result, the University treats cases of academic misconduct very seriously.

*The University of Toronto's Code of Behaviour on Academic Matters*

<http://www.governingcouncil.utoronto.ca/policies/behaveac.htm> outlines the behaviours that constitute academic misconduct, the process for addressing academic offences, and the penalties that may be imposed. You are expected to be familiar with the contents of this document. Potential offences include, but are not limited to:

In papers and assignments:

- Using someone else's ideas or words without appropriate acknowledgement.
- Submitting your own work in more than one course without the permission of the instructor.
- Making up sources or facts.
- Obtaining or providing unauthorized assistance on any assignment (this includes collaborating with others on assignments that are supposed to be completed individually).

On test and exams:

- Using or possessing any unauthorized aid, including a cell phone.
- Looking at someone else's answers
- Misrepresenting your identity.
- Submitting an altered test for re-grading.

Misrepresentation:

- Falsifying institutional documents or grades.
- Falsifying or altering any documentation required by the University, including (but not limited to), medical notes.

All suspected cases of academic dishonesty will be investigated by the following procedures outlined in the *Code of Behaviour on Academic Matters*. If you have any question about what is or is not permitted in the course, please do not hesitate to contact the course instructor. If you have any questions about appropriate research and citation methods, you are expected to seek out additional information from the instructor or other UofT resources such as College Writing Centres or the Academic Success Centre.

### ***3. Email***

At times, the course instructor may decide to communicate important course information by email. As such, all UofT students are required to have a valid UTmail+ email address. You are responsible for ensuring that your UTmail+ email address is set up AND properly entered on the ROSI system. For more information please visit <http://help.ic.utoronto.ca/category/3/utmail.html>

Forwarding your utoronto.ca email to a Hotmail, Gmail, Yahoo or other type of email account is not advisable. In some cases, messages from utoronto.ca addresses sent to Hotmail, Gmail or Yahoo accounts are filtered as junk mail, which means that important messages from your course instructor may end up in your spam or junk mail folder.

#### ***4. Quercus and the Course Page***

The online course page for this course is accessed through Quercus. To access the course page, go to the UofT Portal login at <https://q.utoronto.ca/> and log in using your UTORid and password. Once you have logged in, look for the My Courses module where you'll find the link to all your course websites. If you don't see the course listed here but you are properly registered for the course in ROSI, wait 48 hours. If the course does not appear, go to the Information Commons Help Desk in Robarts Library, 1st floor, for help, or explore the Portal Information and Help at <http://www.portalinfo.utoronto.ca/content/information-students> and review the Frequently Asked Questions.

#### ***5. Recording Lectures***

Lectures and course materials prepared by the instructor are considered by the University to be an instructor's intellectual property covered by the Canadian Copyright Act. Students wishing to record a lecture or other course material in any way are required to ask the instructor's explicit permission, and may not do so unless permission is granted (note: students who have been previously granted permission to record lectures as an accommodation for a disability are, of course, excepted). This includes tape recording, filming, photographing PowerPoint slides, Quercus materials, etc.

If permission is granted by the instructor (or via Accessibility Services), it is intended for the individual student's own study purposes and does not include permission to "publish" them in anyway. It is absolutely forbidden for a student to publish an instructor's notes to a website or sell them in any other form without formal permission.

#### **6. Conduct of Classes and Expectations**

Classes will begin at ten minutes after the hour, in accordance with university policy. Students are expected to arrive on time so as not to disrupt the class.