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|--------------------|------------|---------------|---------------------------------------|
| <b>Department:</b> | Accounting | <b>Degree</b> | Master of Science in Accounting (MSA) |
|--------------------|------------|---------------|---------------------------------------|

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|----------------------|-------------------|----------------------|----------|
| <b>Course Name:</b>  | Internal Auditing | <b>Course No.:</b>   | ACCT 635 |
| <b>Prerequisite:</b> | Non               | <b>Credit Hours:</b> | 3        |

### Brief Description:

This is an advanced internal auditing course. It contains an in-depth coverage of the internal audit process to help students to build on the theory and techniques introduced in the undergraduate internal auditing course. Topics to be covered in this course are: Institute of Internal Auditor's (IIA) International Professional Practices Framework (IPPF), other official international pronouncements (COSO, COBIT, Sarbanes - Oxley), and issues relating to internal auditing governance, control, risks, audit evidence, audit sampling and communication of engagement results. Other internal audit issues such as fraud, data analysis and work papers are also covered in this course. Throughout this course, internal auditing case studies are used to reinforce the learning process.

### Course Objectives:

After completing this course, students should be able to:

1. Recognize and comprehend concepts, fundamental aspects and process of the internal auditing;
2. Demonstrate an understanding of the role of internal auditors in enterprises and articulate the relationship between governance, controls and enterprise risk management and internal auditing activities;
3. Apply internal auditing techniques and skills in identification and evaluation of controls and audit evidence and other internal audit tasks such as sampling, documentation and data analysis;
4. Critically assessing issues surrounding internal auditing services;
5. Identify ethical issues in internal auditing profession;
6. Develop and demonstrate an effective written communication of a scholarly research proposal;
7. Demonstrate improvement in oral communication skills.

### Course Topics:

Internal auditing theory as contained in official pronouncements (IIASB, COSO, COBIT, Sarbanes - Oxley). Emphasis will be placed on material required for IA practice as it relates to professional ethics, governance, controls, risk management and audit engagement procedures, audit sampling, evidence gathering and auditors' reports.

### Text Book:

- Internal Auditing: Assurance & Advisory Services (Fourth Edition) 2017

### Additional References:

- Sawyer L.B., (2012) Sawyer's Internal Auditing 6<sup>th</sup> Edition, The Institute of Internal Auditors Research Foundation.
- Selected articles (TBA) at QU blackboard.com.
- Selected cases (TBA) at QU blackboard.com.

### Online Resources:

- Access to a computer with Microsoft Office Suite
- Computer access to download required software
- Internet access and internet materials.

**Matrix of Measurement and Assessment Tools and Learning Objectives**

|                          |       |                     | Objectives |       |                   |       |          |       |               |       |            |       |
|--------------------------|-------|---------------------|------------|-------|-------------------|-------|----------|-------|---------------|-------|------------|-------|
|                          |       |                     | Knowledge  |       | Critical thinking |       | Ethical  |       | written Comm. |       | Oral Comm. |       |
| Assessment tools         | Grade | Week (Time period)  | Obj. No.   | Grade | Obj. No.          | Grade | Obj. No. | Grade | Obj. No.      | Grade | Obj. No.   | Grade |
| Midterm Exam             | 20    | 9 <sup>th</sup>     | 1- 3       | 20    |                   |       |          |       |               |       |            |       |
| Assignments & Cases      | 10    | During the semester |            |       | 4                 | 10    |          |       |               |       |            |       |
| Ethical Cases            | 10    | During the semester |            |       |                   |       | 5        | 10    |               |       |            |       |
| Research Proposal        | 15    | 12 <sup>th</sup>    |            |       |                   |       |          |       | 6             | 15    |            |       |
| Presentation             | 5     | During the semester |            |       |                   |       |          |       |               |       | 7          | 5     |
| Final Exam               | 40    | Final exams Period  | 1- 3       | 40    |                   |       |          |       |               |       |            |       |
| Total objectives' grades | 100   |                     |            | 60    |                   | 10    |          | 10    |               | 15    |            | 5     |
| Percentage allocated     | 100%  |                     |            | 60%   |                   | 10%   |          | 10%   |               | 15%   |            | 5%    |

**Course Outline**

| Week   | Topic   | Assignments<br>(Due Date the following Sunday)  |
|--------|---|---|
| First  | <ul style="list-style-type: none"> <li>Syllabus discussion</li> <li>Chapter 1: Introduction to Internal Auditing</li> </ul> |   |
| Second | <ul style="list-style-type: none"> <li>Chapter 2: The International Professional Practices Framework</li> </ul>             | <ul style="list-style-type: none"> <li><b>Exercise 1</b><br/>Summarizing the content of the IIA homepage.<br/>Report about Ethics &amp; Standards of IA.</li> </ul>   |
| Third  | <ul style="list-style-type: none"> <li>Chapter 3: Governance</li> </ul>   | <ul style="list-style-type: none"> <li><b>Exercise 2</b><br/>RQ 3-7, 3-8,</li> <li><b>Case Study 1</b><br/>(The relationship with Audit committee, CIIA)</li> <li><b>(CASE, To be considered)</b><br/>(Fransi Bank Case, Kodak Co., Mobily Scandal, FIFA Scandal or Newspapers Industry)</li> </ul> |
| Fourth | <ul style="list-style-type: none"> <li>Chapter 4: Risk Management</li> </ul>  | <ul style="list-style-type: none"> <li><b>Exercise 3</b><br/>RQ 4-12<br/>DQ 4-5, 4-8</li> <li><b>Case Study 2</b></li> </ul>  |

|            |   |  |
|------------|---|--|
|            |   | (Risk-based Internal Audit, CIA)   |
| Fifth      | - Chapter 5: Business Processes and Risk  | - <b>Exercise 4</b><br>RQ 5-16<br>- <b>Case Study 3</b><br>(Pizza Inc., Case 1 Ch.5.)  |
| Sixth      | - Chapter 6: Internal Control   | - <b>Exercise 5</b><br>RQ 6- (1-8)<br>DQ 6-1<br>- <b>Case Study 4</b><br>(Auditing Projects, CIA)  |
| Seventh    | - Chapter 7: Information Technology Risks and Controls  | - <b>Exercise 6</b><br>RQ 7-10,<br>DQ 7-1<br>- <b>Case Study 5</b><br>(MVF Com., Case 1 Ch.7.)   |
| Eighth     | - Chapter 8: Risk of Fraud and Illegal Acts<br>- Chapter 9: Managing the Internal Audit Function          | - <b>Exercise 7</b><br>RQ 8-8, 9-16, 9-20,<br>DQ 9-5<br>- <b>Case Study 6</b><br>(Oxalite Inc.: A Cautionary Tale, Case 1 Ch. 8)                               |
| Ninth      | Midterm Exam  |  |
| Tenth      | - Chapter 10: Audit Evidence & Workpapers<br>- Chapter 11: Data Analytics and Audit Sampling              | - <b>Exercise 8</b><br>RQ 10-13<br>DQ10-3, 10-4<br>DQ 11-3   |
| Eleventh   | - Chapter 12: Introduction to the Engagement Process<br>- Chapter 13: Conducting the Assurance Engagement | - <b>Exercise 9</b><br>RQ 12-16, 13-6, 13-19,<br>DQ 12-2<br>- <b>Summary of an internal audit research paper from a peer-review journal in ethical issues.</b> |
| Twelfth    | - Chapter 14: Communicating Assurance Engagement Outcomes<br>- Chapter 15: The Consulting Engagement      | - <b>Exercise 9</b><br>RQ 14-6, 15-9<br>DQ 14-1, 15-10<br>- <b>Case Study 7</b><br>(Outsourcing HR, International Bank, Case 2, Ch15)                          |
| Thirteenth | - Research Proposal Presentations   |  |
| Fourteenth | - Over Review and Concluding  |  |
| Sixteenth  | <b>FINAL EXAM</b>   |  |

## Assessments

- 1- **Exams:** Two Exams will be given during the semester: The Midterm & Final exams are designed to ensure student's comprehension of the examined issues.
- 2- **Assignments and Cases:** Students as a group will be assigned a case study and they will be required to provide a written report about the case. Cases will be around any of the issues examined in this course.
- 3- **Ethical Issues:** Individual students will be required to evaluate ethical dilemmas (Cases) and provide report about them.
- 4- **Research Proposal:** Individual student will be required to submit a research proposal at the end of the semester. Research proposal is expected to relate theoretical concepts in addressing real life issues in internal auditing. Criterion for marking the Research Proposal are around:
  1. Research problem; (e.g. Clarity, Importance, articulation ...)
  2. Literature review; ( e.g. Applicability, Key articles, Recent articles, Gaps identification ...)
  3. Research question; (e.g. Clarity and Applicability)
  4. Motivation and contribution; (e.g. Practical and scientific implication)
  5. Theoretical framework and hypotheses; ( e.g. Applicability, design ...)
  6. Research design including the sample, variables, and method of analysis; (e.g. Design, suitability...)
  7. How else could research questions have been answered?
  8. References. (E.g. style adopted verification....).
- 5- **Presentation:** Each student will be individually required to select one issue to present during class involvement. **Criteria for Marking presentation are: (1) Coverage of the issue; (2) Oral Skills; (3) Language proficiency; (4) Management of class discussion and (5) Presentation layout.**

**Note 1:** To ensure full engagements in class discussion, individual student is required to prepare for the lectures in advance, therefore other assignments might be assigned during the semester to ensure preparation.

**Approved by Dept.  
Chair:**

Dr. Ahmad Al-Salman

**Date of Approval:**

30-9-2019

## Extra Information: (Updated every semester and filled by course instructor)

**Course**

**Instructor:**

**Office No:**

**Extension:**

**Email:**

**Office Hours:**