Course Title: **Internal Auditing: Operational and Management (X 423.2)**

Course Catalog Description: An advanced online course designed for accounting, auditing, and business students; CPA, CIA, and CMA candidates; CPAs, CIAs, and CMAs; controllers and internal auditors; financial and auditing managers; corporate executives; and federal and state auditors and managers. Topics include Internal Auditing (IA) fundamentals; IA standards; internal controls; IA working papers, procedures, evidences, sampling, and flow-charting; major areas of operational auditing (covers major areas, such as production, marketing, finances, EDP, purchasing, personnel, etc.); fraud detection, including a discussion of the latest developments in financial crimes; major areas of management auditing; IA reports; and evaluation of the IA function. **Prerequisite:** X 120A, B, and C Intermediate Accounting Theory and Practice, or consent of instructor.

**WELCOME ANNOUCEMENT:**

Welcome to my online Internal Auditing class. I look forward to meeting you soon and working together to achieve the learning objectives for this course.

If you are new to online classes, I want to assure you it is easy to adapt to. Please take time to familiarize yourself with the .Canvas platform and its many features and tools. To begin, along the left side of your screen, you will see a course menu/navigation bar.

Click on the "Syllabus" to view the course details. A copy of the entire syllabus is provided which you may want to print it out for future reference.

The “Modules” will be where you’ll get your weekly readings, assignments, discussions, quizzes, and other materials. Each module is divided into weeks that starts on Wednesday and ends on Tuesday; it is very important to stay on track as the materials build on the previous lessons, and late submission will be penalized, if accepted at all. An important part of this course is the “Discussions” where we interact with each other, so please check the “Discussions” frequently and participate fully in order to have a lively and active virtual classroom.

You will find information on how to contact me as well as Canvas Support by clicking on the “Help” link in the upper right corner of Canvas. (See details on how to contact Ucla Extension Tech Support in later section). For more privacy, please feel free to contact me directly at jim.tiao@live.com. Click on the other menu items and become comfortable with the online Internal Auditing course.

I am happy you are here and I am here to assist you with gaining a deeper understanding of internal auditing, its processes and its role within an organization. I hope you enjoy this learning experience!

Jim Tiao, CIA, CISA, MBA
Hello and welcome to the class:

My name is Jim Tiao and I will be teaching this online course.

I started my career in internal auditing right after getting my MBA from UCLA and began working for the University of California’s Internal Audit Division. As an internal auditor, I was involved in a broad range of reviews of operations and programs throughout the UC system and its medical centers. I then gained some international experience by joining an oil services firm with several diverse divisions and international operations. The internal audit work has provided me with a “bird’s eye view” of these large organizations as well as providing me with great experience in the “nuts and bolts” of some of its core business processes and operations.

I then joined Honda in the early 80’s as it began to expand its operations in the US and fortunate enough to be part of its growth and success that it now enjoys. At Honda, I managed the audit groups responsible for the sales/marketing and captive-finance divisions and supported audits of the manufacturing divisions. I have also managed the IT audit group for a period of time, as well as leading the efforts to comply with the Sarbanes-Oxley Act. In addition, I have managed the administrative, IT and accounting functions for one of Honda’s trading companies for several years.

I have taught the Internal Auditing course at UCLA Extension and UCI Extension, various parts of the CIA Exam Review Courses, and management accounting courses at California State University at Dominguez Hill. In addition, I have my Certified Internal Auditor (CIA) and Certified Information Systems Auditor (CISA) designations.

As you can see, most of my professional career has been in internal auditing, and I’ve seen its growth and continued evolution into its important role in supporting today’s need for more accountability and transparency. I’ve eager to share my knowledge and experience with you and looking forward to working with you.
Instructor Expectations

I’m looking forward to working with you, learning about what you're educational goals are, and how you plan to use the course in your career. We bring different kinds of experiences and knowledge and each of you will have different needs, expectations and concerns. As your facilitator, it will be easier to help meet your needs if you communicate these concerns directly to me on a timely basis. I hope you'll always find that I am responsive and supportive.

Here are a few expectations I would like emphasis:

- Commit to doing your best in this course and interacting with your classmates.
- Read the chapters and submit the completed assignments on time.
- Participate in group discussions on a timely and meaningful basis.
- Stay on schedule so everyone can benefit from each other’s postings/replies.

“Discussion” (DQ) & Interacting with Classmates: Each student is expected to post a well-researched answer to each discussion question, and post thoughtful replies to at least one other student's postings. This means a minimum of 2 postings per DQ. Pacing your work earlier in the week will give you more time to get feedback from your classmates, learn from their viewpoints and allow you to further demonstrate and enhance your understanding of the issue or topic with your replies. Your responses should include more than phrases such as "I agree with that" or "Interesting comment." A substantive posting should include your assessment and critical analysis of what you read, what you experienced, a short synopsis of key concepts, or why other arguments could be incorrect.

Your posts should feature good writing, correct spelling and mechanics. Internal auditors are judged by the quality, clarity and conciseness of their communication skills. Communication should be professional and use good netiquette. In the spirit of scholarly discussion, Responses that disagree with others should apply to the topic and should be respectful. Your postings should help you to test your ideas, reinforce what you have learned, and share resources with others in the class. Please review the Discussion & Reflection Rubric sheets for more details. Posts/replies made after the assigned week will lose points as discussed in the grading section.

Instructor’s Comments in the DQs: I will be in the classroom several times a week to make sure the discussions are heading in the right direction and/or provide clarification, as needed, to stimulate interaction among the group. And typically, I will summarize the discussions with some closing comments that emphasis a real world perspective on the auditing issues involved.

No posted messages are private - so please feel free to call me directly if you have any personal or specific questions that the group may not benefit from. I'd like to talk and get to know you. Of course, you can send an email and I should respond within 24 hours.

If after reading the assignment/DQ, you do not understand what to do, please call or email me so that I can explain the assignment. This is much better than turning in an assignment that is not done correctly or timely and losing points.
Course Learning Goals

By the end of this course, a successful learner should be able to:

- Explain the roles and responsibilities of internal auditors (IA) within an organization and its professional practices

- Critically thinking on governance, risk management and control concepts and real world realities

- Utilize the process of providing a risk-based, process and control-focused internal auditing approach, including:
  - Considerations to be included in the planning phase
  - Performing risk assessment and testwork
  - Collecting and documenting audit evidence
  - Communicating audit results

- Recognizing specific challenges and risks associated with IT technology and fraud situations

- Identify the similarities and difference between assurance and consulting engagements

Most students are taking this course in order to earn enough credits to sit for the CPA exam. This course will be much different from your other accounting courses, as there are fewer “hard” rules to memorize. This course covers many concepts and skills that CPAs will find valuable for their accounting career, as well as those who move into operational/financial management or non-accounting careers.
Syllabus Outline

This page organizes your course by weeks & textbook chapters: In addition to the required readings from the textbook, you’ll be expected to perform additional research and inquiry on the web, as needed, for various assignments/DQs.

Week 1 - Introduction to Internal Auditing (Chapter 1 of textbook)

Week 2 - Professional Standards & Ethics (Chapter 2)
Governance & Risk Management (Chapter 3 & 4)

Week 3 - Business Process & Business Risks (Chapter 5)

Week 4 - Internal Control (Chapter 6)

Week 5 - Reflection/Open Discussions & Assignment

Week 6 - IT Risk Management (Chapter 7)
Fraud Risks & Controls (Chapter 8)

Week 7 - Audit Evidence, Workpapers & Audit Sampling (Chapter 10 & 11)

Week 8 - Conducting Assurance Engagements (Chapter 12 &13)

Week 9 - Communicating Audit Results & Follow-up (Chapter 14)

Week 10 - Consulting Engagements (Chapter 15)
FINAL EXAM

This online course has each week (Module) on Wednesday, and all weekly assignments are due by midnight Tuesday. It is important to stay on schedule as subsequent topics build on previous lessons.
Course Grading Policies

Grading: 300 points possible for all course components

Grades are assigned based on quality of work and timely completion as follows:

1. Discussion participation:
   Varying points are given for each discussion, with total points for all DQs worth approximately 40% of the final grade. A minimum of 2 postings for each Discussion Question is required to be eligible for maximum number of points. A substantive posting should include your assessment and critical analysis of what you read (more than just cutting & pasting passages from resources), what you experienced, a short synopsis of key concepts, or why some arguments/assumptions could be incorrect. Please review the Discussion-Reflection Rubric for further information on grading guidelines.

2. Assignments & Quizzes:
   Varying points are awarded for each assignment and quiz, worth approximately 40% of the final grade.

3. Final Exam:
   The final exam is comprised of 28 multiple choice and 4 T/F questions, for a total of 60 points, or 20% of your grade. The final will be available one week prior to the due date which allows for plenty of time to complete the exam. The final will be comprehensive and cover materials from the discussions, assignments and readings. You will have only 1 attempt on this exam. The final exam is due at 11:59 PM Tuesday night.

Grades are earned as follows:

A  271 - 300 points
B  241 – 270 points
C  211 – 240 points
F  Below 210 points
(+/- grades will be assigned within point range)

Academic Policies:
Certificate Students: All courses to be applied toward a certificate program must be taken for a letter grade and a grade of “C” or better is required. If you receive a grade of “C-” or lower, you must either repeat the course or confer with your Certificate Advisor to find a suitable substitute.

Incompletes: The interim grade Incomplete may be assigned when a student's work is of passing quality, but a small portion of the course requirements is incomplete for good cause (e.g. illness or other serious problem). It is the student’s responsibility to discuss with the instructor the possibility of receiving an “I” grade as opposed to a non-passing grade. The student is entitled to replace this grade by a passing grade and to receive unit credit provided they complete the remaining coursework satisfactorily, under the supervision of and in a time frame determined by the instructor in charge, but in no case later than the end of the next academic quarter. At that time, the Registrar will cause all remaining Incompletes to lapse to the grade "F". Note:
Receiving an “I” does not entitle a student to retake all or any part of the course at a later date.

**Academic Honesty Policy**

Academic dishonesty covers behavior in cheating, plagiarism, and fabrication of information. These behaviors are not tolerated. Students are encouraged to familiarize themselves with the UCLA Extension Student Conduct Code and the official statements regarding cheating and plagiarism at: [https://www.uclaextension.edu/Pages/str/StudentConduct.aspx](https://www.uclaextension.edu/Pages/str/StudentConduct.aspx)

**Services for Students with Disabilities**

In accordance with Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1990, UCLA Extension provides appropriate accommodations and support services to qualified applicants and students with disabilities. These include, but are not limited to, auxiliary aids/services, such as note takers, audiotaping of courses, sign language interpreters, and assistive-listening devices for hearing-impaired individuals, extended time for and proctoring of exams, and registration assistance. Accommodations and types of support services vary and are specifically designed to meet the disability-related needs of each student based on current, verifiable medical documentation.

Arrangements for auxiliary aids/services are available only through UCLA Extension Disabled Student Services at (310) 825-4581 (voice/TTY) or by email at [access@uclaextension.edu](mailto:access@uclaextension.edu). Please request such arrangements with at least five working days’ advance notice. All assistance is handled in confidence. Accommodations must be pre-approved. Requests for retroactive accommodation will not be accepted.

**Deadlines and Late Submission**

Life happens and I understand that work and family emergencies occur. If you will contact me before the work is late, we can try to work out something that will mesh with your schedule. However, if you don’t contact me before-hand, and the work from one week is posted late during the next week, you’ll lose up to twenty percent for each day that it is late. After the work is more than 7 days late, it will no longer receive a grade. There are no extensions for the class. All work must be turned in by the last day of class.
Discussion Rubric

This rubric will be used to assess the quality of your participation in the online discussion forums. Please use this tool as a guide when constructing your postings.

<table>
<thead>
<tr>
<th></th>
<th>Unsatisfactory</th>
<th>Basic</th>
<th>Proficient</th>
<th>Distinguished</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mechanics of the Posting</strong></td>
<td>Uses incomplete sentences, is unstructured in its organization, and includes frequent or consistent errors in mechanics (grammar, spelling, usage) in each paragraph. The posting is unreadable and there is a distinct lack of tone.</td>
<td>Uses complete sentences and the posting is comprehensible. The organization could be improved to present a more coherent argument, statement, or question. Includes 2-3 mechanical errors in each paragraph. The tone is respectful.</td>
<td>Uses complete sentences, organization is evident, and the posting includes no more than one mechanical error in each paragraph. The tone is clear and respectful.</td>
<td>Uses complete sentences, organization is clear and thoughtful, the posting is grammatically correct, and free of spelling errors. The tone is clear and respectful.</td>
</tr>
<tr>
<td><strong>Participation in the Discussion</strong></td>
<td>Provides minimal comments and information to other participants in the forum.</td>
<td>Provides comments, and some new information on a sporadic basis. Interacts with only 1-2 participants in the forum.</td>
<td>Provides comments, discussion, questions, and new information on a fairly regular basis. Interacts with a few participants in the forum.</td>
<td>Provides comments, discussion, questions, and new information on a regular, active, and weekly basis. Shows a high degree of interaction with other participants in the forum.</td>
</tr>
<tr>
<td><strong>Content of Posting</strong></td>
<td>Writes a general or superficial posting that is unrelated to the discussion at hand and/or posts no comments.</td>
<td>Demonstrates a restricted understanding of the concepts, topics, and ideas as evidenced by posting information that could be derived from prior posts and/or including highly general comments.</td>
<td>Demonstrates an adequate understanding of the concepts, topics, and ideas as evidenced by posting superficial, or general statements in the forum. Includes a few details in the posting.</td>
<td>Demonstrates a solid understanding of the concepts, topics, and ideas as evidenced by thoughtful responses and questions that show a clear connection (are integrated) with the course material at hand. The posting shows depth, and includes many supporting details.</td>
</tr>
<tr>
<td><strong>Critical Thinking Evidenced by Posting</strong></td>
<td>Provides no evidence of agreement or disagreement with an existing discussion.</td>
<td>Indicates agreement or disagreement with an existing discussion but provides no justification or explanation for comments.</td>
<td>Indicates agreement or disagreement with an existing discussion including a limited explanation or justification. Provides comments, discussion, and questions without a clear connection to the course material at hand.</td>
<td>Demonstrates a critical analysis of an existing posted idea or introduces a different interpretation to an existing concept or idea. Includes comments, discussion, and questions that have a clear connection (are integrated) with the course material at hand.</td>
</tr>
</tbody>
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Reflection Rubric

During your course, you will be asked to reflect on your work and how you will apply what you have learned. This rubric will help you assess your reflections.

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Coherence &amp; Relevance</strong></td>
<td>One cannot discern the learner’s perceptions and attitudes or what he or she learned.</td>
<td>Paper adequately describes the learner’s perceptions, attitudes and what she or he learned; however, gaps and omissions are present.</td>
<td>Paper describes the learner’s thoughts, perceptions, attitudes and what was learned; a few gaps or omissions are present.</td>
<td>Paper thoroughly describes the learner’s perceptions, attitudes and what he or she learned from the project.</td>
</tr>
<tr>
<td><strong>Transformation</strong></td>
<td>It is not clear how the experiences transformed the learner.</td>
<td>There are gaps in the learner’s description of how the experiences helped transform him or her into a scholar-practitioner.</td>
<td>Learner adequately describes how the experiences helped transform him or her into a scholar-practitioner.</td>
<td>Learner clearly describes how the experiences helped transform him or her into a scholar-practitioner.</td>
</tr>
</tbody>
</table>

The rubrics provide a way for you and your facilitator to agree on the level of performance. It provides the performance-based criteria that help to steer discussions so that they are effective and reflect on your learning experiences.
Course Materials and Resources

Syllabus: A copy is available in the course shell

Textbook:

Other Instruction materials: (refer to Lectures/PowerPoint and other materials included in the weekly modules)

External links-
Institute of Internal Auditors: www.theiia.org
Information Systems Audit & Control Association: www.isaca.org
Control Framework: www.coso.org

Internet/Discussions Forum etiquette: www.albion.com/netiquette/corerules.html

Technical Support: To contact UCLA Extension Course Management Support, call them at 310-206-4563 from 8am-5pm on weekdays, or email them at support@unexonline.zendesk.com. To get support from Canvas Support Team, click on the “Help” link on the upper right corner of the Canvas page, and click on “Live Chat” or “Report a Problem”.
al exam is due at 11:59 PM Tuesday night. Good luck.