

## SCHOOL OF ACCOUNTING & COMMERCIAL LAW

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### ACCY 303 AUDITING

Trimester Two 2005

### COURSE OUTLINE

#### Contact Details

The *Course Lecturers* are as follows:

	<i>Office:</i>	<i>Tel (extn.):</i>	<i>E-Mail Address:</i>
Tim Fairhall	RH 631	6709	<a href="mailto:tim.fairhall@vuw.ac.nz">tim.fairhall@vuw.ac.nz</a>
David Macdonald	RH 601	5938	<a href="mailto:david.macdonald@vuw.ac.nz">david.macdonald@vuw.ac.nz</a>

There may also be some guest lecturers during the course.

The *Course Administrator* is Debbie Fowler, Reception (RH 708), Phone direct 463 5383, or E-mail [Debbie.Fowler@vuw.ac.nz](mailto:Debbie.Fowler@vuw.ac.nz).

The course administrator should be contacted in relation to any changes to scheduled workshop attendance and other inquiries, of an administrative nature. Uncollected and misplaced assignment inquiries should be directed to your tutor in the first instance - if unsuccessful, please see the course administrator.

Should your performance in this course in relation to any of the specified mandatory course requirements be impeded by unforeseeable events (or circumstances such as sickness, bereavement of a close relative or other such personal difficulties), you should contact the course administrator as soon as is reasonably possible. You will be required to complete a form, which will need to be approved by the course co-ordinator. **Do not delay this until the end of the course or when final results are posted.**

The *Course Co-ordinator* is Tim Fairhall, Room RH 631, Phone direct 463 6709, or E-mail [tim.fairhall@vuw.ac.nz](mailto:tim.fairhall@vuw.ac.nz)

#### Class Times and Room Numbers

Lectures are scheduled for Monday 5.40 – 6.30pm and Thursday 4.40 – 6.30pm, commencing Monday 4 July 2005 in RH LT1.

There will be seven workshops held during the weeks beginning:

11 July, 25 July, 1 August, 8 August, 12 September, 19 September and 26 September

The last six workshops will take the form of a case study where all students will be given the background material two weeks before the workshop. Workshop groups will be determined at the end of the first week of the trimester and posted on Blackboard, and on the Notice board on the Mezzanine floor of RH by 11 July 2005.

The university examination period takes place between 14 October and 5 November 2005.

## **Course Objectives & Content**

This course assumes a solid grasp of accounting and the law relating to private and public sector enterprises - especially the key concepts embodied in 200 level courses on financial accounting, management accounting and commercial law. Without this understanding it is not possible to assimilate auditing concepts. The various topics covered in this course are contained in the Course Programme set out on page 6 of the course outline.

The objectives of this course are for successful students to be able to:

- (1) Encourage research and analysis through debate with other students
- (2) Apply to auditing, the concepts learnt in 200 level financial accounting, management accounting, and commercial law courses;
- (3) Develop audit judgment, and use ethical frameworks and auditing standards to guide actions;
- (4) Appreciate the importance of understanding the client's business;
- (5) Evaluate audit risk in individual businesses in order to determine the nature, timing, and extent of audit testing;
- (6) Recognise differences in emphasis between auditing in the public and private sectors in New Zealand;
- (7) Make judgments concerning reports to those responsible for, and those reading, financial statements.

The Course Programme on page 6 of the course outline provides the general topics to be covered by each lecturer.

## **Readings**

There are two texts that will be acceptable for the course:

- Gay & Simnett – *Auditing and Assurance Services in Australia* – 2<sup>nd</sup> edition (McGraw-Hill Australia ISBN 007471170-9)
- Rittenberg, Schwieger, Schelluch, Topple & Jubb – *Assurance & Auditing Concepts for a Changing Environment* – 1<sup>st</sup> edition (Thomson Learning Australia ISBN 0-17-011134-2)

The references in the Course Programme are to the Gay & Simnett text.

Further recommended readings are the Auditing Standards issued by both the Institute of Chartered Accountants of New Zealand and the Controller and Auditor-General. Additional readings may be distributed and/or referred to during lectures.

## **Materials and Equipment**

Silent, non-programmable electronic calculators may be used in the end-trimester exam. Calculators that have alpha-numeric keyboards or can display words are **not** permitted.

## **Assessment Requirements**

### ***Workshops***

The group of students presenting will number 4 or 5, depending on the size of the workshop group. It would be advisable for the group making the presentation to meet before the workshop to confirm how the responses to the question(s) will be shared by the group.

Topics will include contemporary audit issues and areas of research popular with academic researchers; as well as issues canvassed through the lectures.

The selected group of students will have up to 10 minutes each to make their presentation. Each student in the presentation team will be expected to contribute to the presentation. During and after the presentation, the other students in the workshop will be encouraged to interrupt/critique the presentation. The workshops will have the facility to last up to 90 minutes to allow sufficient debate on the topic(s) - and, for the individual students making the presentation, to be assessed by the tutor.

The first workshop will involve a group discussion, mainly clarifying how the presentations will be conducted and evaluated. And, tutors will advise who will be in the 4-5 student presentation teams for the following six workshops. The presentation teams will not be the same for the first and second workshop.

No publication or otherwise of the suggested solutions to workshops will be given on Blackboard or distributed by tutors. Hence you will need to attend the workshop to ensure you understand the subject material covered.

### ***Assignments***

There are also three assignments in this course - these form an integral part of the course assessment. We strongly recommend that you complete and submit all assignments, which should not exceed 1,000 words. Assignments are to be placed in the nominated box on the Mezzanine floor of Rutherford House **before** 12 noon on the following due dates:

Assignment 1	Friday 29 July 2005 ( <i>returned at Workshops from 8 August 2005</i> )
Assignment 2	Monday 5 September 2005 ( <i>returned at Workshops from 16 September 2005</i> )
Assignment 3	Friday 30 September 2005 ( <i>available from RH 708 from 11 October 2005</i> )

**Penalty:** Late assignments will **NOT** be accepted. Marks for assignments along with suggested areas of coverage in the assignment will be posted on Blackboard.

### ***Final grade determination***

The final grade awarded for this course will be determined on the following basis:

<i>Item of assessment</i>	<i>Weighting</i>
Three assignments	15%
Two workshop presentations	20%
End-trimester exam (180 minutes)	65 %

To pass this course, students must:

- a) Meet the ***mandatory course requirements*** (see below); and
- b) Obtain a mark of 45% or more in the end-trimester exam.

The end-trimester exam will cover the entire course content. Examinable material will include workshop and assignment material and specified readings. And, will not be limited to material directly covered in lectures. A summary of the areas that are expected to be covered in your answers to the end-trimester exam will be posted on Blackboard.

Should you wish to have your mark/grade reassessed for any of the assignments or workshop presentations, please complete the form on page 8 of this course outline and deliver it to the Course Co-ordinator.

Should you wish to have your end trimester exam reconsidered you will need to complete the requisite form at the Student Administration Office and pay the required fee. The fee will be refunded if the reconsideration results in an upward revision of your grade.

You should expect to spend on average 12 hours per week on the course (excluding travelling time and study for the exam). How this time is made up will vary from week to week, but would typically comprise:

- 3 hours in scheduled lectures;
- 5 hours preparing for and participating in workshops;
- 1 hour working on assignments; and
- 3 hours reading for lectures, and revising lecture and workshop notes.

Unless you keep up with the course work, you are likely to face considerable problems catching up in order to be adequately prepared for the end-trimester exam.

In order to benefit from lectures and workshops, you should read the indicated readings relating to each lecture topic and workshop **before** the class sessions.

### **Mandatory Course Requirements**

To meet the mandatory course requirements you must:

- a) Make two workshop presentations; and
- b) Participate in at least six of the seven workshops.

A list of attendances by students at workshops, along with marks for the workshop presentations, will be updated weekly on Blackboard. Students who have any problems with these attendances must see their tutor immediately or advise the course administrator.

### **Penalty**

Failure to meet mandatory course requirements will mean the student will be unable to sit the end-trimester examination.

### **General University Policies and Statutes**

Students should familiarise themselves with the University's policies and statutes, particularly those regarding assessment and course of study requirements, and formal academic grievance procedures.

### **Student Conduct and Staff Conduct**

The Statute on Student Conduct together with the Policy on Staff Conduct ensure that members of the University community are able to work, learn, study and participate in the academic and social aspects of the University's life in an atmosphere of safety and respect. The Statute on Student Conduct contains information on what conduct is prohibited and what steps can be taken if there is a complaint. For queries about complaint procedures under the Statute on Student Conduct, contact the Facilitator and Disputes Advisor. This Statute is available in the Faculty Student Administration Office or on the website at:

[www.vuw.ac.nz/policy/StudentConduct](http://www.vuw.ac.nz/policy/StudentConduct).

The policy on Staff Conduct can be found on the VUW website at:

[www.vuw.ac.nz/policy/StaffConduct](http://www.vuw.ac.nz/policy/StaffConduct).

### **Academic Grievances**

If you have any academic problems with your course you should talk to the tutor or lecturer concerned or, if you are not satisfied with the result of that meeting, see the Head of School or the Associate Dean (Students) of your Faculty. Class representatives are available to assist you with this process. If, after trying the above channels, you are still unsatisfied, formal grievance procedures can be invoked. These are set out in the Academic Grievances Policy which is published on the VUW website at:

[www.vuw.ac.nz/policy/AcademicGrievances](http://www.vuw.ac.nz/policy/AcademicGrievances).

### **Academic Integrity and Plagiarism**

Academic integrity is about honesty – put simply it means **no cheating**. All members of the University community are responsible for upholding academic integrity, which means staff and students are expected to behave honestly, fairly and with respect for others at all times.

Plagiarism is a form of cheating which undermines academic integrity. Plagiarism is **prohibited** at Victoria.

The University defines plagiarism as follows:

Plagiarism is presenting someone else's work as if it were your own, whether you mean to or not.

*'Someone else's work' means anything that is not your own idea, even if it is presented in your own style. It includes material from books, journals or any other printed source, the work of other students or staff, information from the Internet, software programmes and other electronic material, designs and ideas. It also includes the organization or structuring of any such material.*

#### ***Plagiarism is not worth the risk.***

Any enrolled student found guilty of plagiarism will be subject to disciplinary procedures under the Statute on Student Conduct ([www.vuw.ac.nz/policy/studentconduct](http://www.vuw.ac.nz/policy/studentconduct)) and may be penalized severely. Consequences of being found guilty of plagiarism can include:

- an oral or written warning
- suspension from class or university
- cancellation of your mark for an assessment or a fail grade for the course.

*Find out more about plagiarism and how to avoid it, on the University's website at: [www.vuw.ac.nz/home/studying/plagiarism.html](http://www.vuw.ac.nz/home/studying/plagiarism.html).*

### **Students with Disabilities**

The University has a policy of reasonable accommodation of the needs of students with disabilities. The policy aims to give students with disabilities an equal opportunity with all other students to demonstrate their abilities. If you have a disability, impairment or chronic medical condition (temporary, permanent or recurring) that may impact on your ability to participate, learn and/or achieve in lectures and tutorials or in meeting the course requirements, then please contact the Course Coordinator as early in the course as possible. Alternatively, you may wish to approach a Student Adviser from Disability Support Services to confidentially discuss your individual needs and the options and support that are available. Disability Support Services are located on Level 1, Robert Stout Building, or phoning 463-6070, email: [disability@vuw.ac.nz](mailto:disability@vuw.ac.nz). The name of your School's Disability Liaison Person can be obtained from the Administrative Assistant or the School Prospectus.

### **Student Support**

Staff at Victoria want students' learning experiences at the University to be positive. If your academic progress is causing you concern, please contact the relevant Course Co-ordinator or Associate Dean who will either help you directly or put you in contact with someone who can.

The Student Services Group is also available to provide a variety of support and services. Find out more at [www.vuw.ac.nz/st\\_services/](http://www.vuw.ac.nz/st_services/) or email [student-services@vuw.ac.nz](mailto:student-services@vuw.ac.nz).

VUWSA employs two Education Coordinators who deal with academic problems and provide support, advice and advocacy services, as well as organising class representatives and faculty delegates. The Education Office is located on the ground floor, Student Union Building, phone 463 6983 or 463 6984, email: [education@vuwsa.org.nz](mailto:education@vuwsa.org.nz).

## Programme 2005

<b>Week beginning</b>	<b>Topic</b>	<b>Lecturer</b>	<b>Gay &amp; Simnett Chapter ref.</b>	<b>Auditing Standards</b>
4 July	What are Assurance Services? What is an audit?	David Macdonald	1,2,14	AS-100, AG-100 CS-1, RS-1, APS-1
11 July	Auditing Standards & Regulators	Tim Fairhall	1,2,4	AS-100, AG-100 AS-202→210 AG-202→208
18 July	Corporate governance, professional ethics, and independence	David Macdonald	3	Code of Ethics Ethical Guidelines
25 July	The Audit process, including understanding the business	Tim Fairhall	5, 6, 8	AS-300, AS-302, AG-302
1 August	Materiality Risk	David Macdonald	7	AS-304, AG-3 AS-402 AS-602 AS-604, AG-604
8 August	Controls and substantive approaches to account balances	Tim Fairhall	8,9,10,11	AS-402, AG-402 AS-210
29 August	Audit evidence Sampling	David Macdonald	9, 10, 17	AS-500
5 September	Forming an opinion on account balances Taxation Receivables & revenue	Tim Fairhall	9, 10, 11	AS-504, AS-506, AS-508, AS-606
12 September	Public Sector Auditing	David Macdonald	16	AG-100 AG-1→AG-4
19 September	Completing the audit The auditor's reporting obligation "True & Fair" Vs GAAP	David Macdonald	13	AS-702, AS-710 AGS-1002 AG-702, AG-710
26 September	Management representation letter Statement of cash flows	Tim Fairhall	12	AS-510, AS-512, AS-514, AS-522 AG-514
3 October	Going concern Contemporary audit issues	Tim Fairhall & David Macdonald	14, 15, 17	AS-520 AG-520

## WORKSHOP SIGN-UP INSTRUCTIONS

To sign up for your ACCY 303 workshop you need to follow the instructions below. Please note that the [Blackboard](#) login procedure has changed. To login to [Blackboard](#) you must use your Victoria University student domain (SCS) user name and password.

1. To sign up select the '**Discussion Board**' button on the left hand side of the screen.
2. Click on '**Tutorial Sign-up**', which will open a list of tutorial times. Click on the workshop time of your choice. To register your name for this workshop you must then click on the '**Reply**' button at the bottom of the page.
3. Place an 'x' in the **message** box which is below **subject** and click on '**submit**' at the bottom of the page. You have now registered for this tutorial. Your name should appear under the tutorial of your choice. **Please remember only 12 students per workshop are accepted.** Count the number of names under the tutorial to ensure that there are **less than 12** names.
4. If you need to change your workshop group, please **remove** your name from the first workshop you signed up for. To do this, follow steps 1-3. Select '**Tutorial Sign-up**' and double click on the workshop time beside your name. Click the '**remove**' button, followed by **OK**. You can now choose a different tutorial time by following steps 2 and 3.
5. Any student who signs up more than **once** will be deleted from all workshops and emailed by the course administrator requesting they make their workshop choice again.
6. Any student who has signed up **after** a workshop group has been filled will be emailed by the course administrator and requested to select another workshop group.

