

School of Accounting and Commercial Law

ACCY 303 AUDITING

Trimester Two 2006

COURSE OUTLINE

Contact Details

The *Course Lecturers* are as follows:

	Office	Telephone	E-Mail Address
Tim Fairhall	RH 631	463 6709	tim.fairhall@vuw.ac.nz
David Macdonald	RH 601	463 5938	david.macdonald@vuw.ac.nz

There may also be some guest lecturers during the course.

The *Administration Assistant* is Marina Dobrovolskaya, Reception (RH 708), Phone direct 463 5775, or E-mail marina.dobrovolskaya@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

Class Times and Room Numbers

Lectures are scheduled for Tuesday 1.40 – 3.30pm and Wednesday 1.40 – 2.30pm, commencing Tuesday 11 July 2006 in RH LT1.

There will be seven workshops held during the weeks beginning: 17 July, 31 July, 7 August, 14 August, 18 September, 25 September and 2 October.

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 17 July 2006.

The university examination period takes place between 16 October and 10 November 2006.

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 8 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 8 of the Course Outline provides the general topics to be covered by each lecturer.

Expected Workload

Should you wish to have your mark/grade reassessed for any of the assignments or workshop presentations, please complete the form on page 10 of this course outline and deliver it to the Course Coordinator.

Should you wish to have your end of 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 of 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.

Group Work

Working in groups is an important component of this course. The content and expectations of workshops/tutorials is explained under Assessment Requirements below.

Readings

The text for this course is:

- Gay & Simnett – *Auditing and Assurance Services in Australia* – 3rd edition (McGraw-Hill Australia ISBN 007471563-1)

Further readings available are the International Standards on Auditing issued by the International Federation of Accountants (IFAC), which can be accessed (after registering with IFAC) free of charge <http://www.ifac.org/Store/Details.tmp?SID=95705605132866&Cart=11339029141882171>

And, 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 of 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. The group making the presentation should 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.

All students will be required to prepare a **bullet-point solution** to the workshop topic and place it in the designated assignment box on the mezzanine floor of Rutherford House by **Friday 12 noon** of the week **preceding** the workshop.

To assist in student learning of the workshop topic it is suggested that you retain a copy of your solution to the workshop topic for use at the workshop.

Where you are not one of the presenters, a mark will be awarded for your participation in the six workshops and the content of your solutions. You will not receive a formal mark for your solution to the workshop topic, but it will be reviewed in determining your preparation for and participation in the workshop. You will receive either 0% or 5% based on your participation and the solutions submitted for the six workshops.

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. We strongly recommend that you complete and submit all assignments, which should not exceed 1,500 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 4 August 2006 (<i>returned at Workshops from 14 August 2006</i>)
Assignment 2	Monday 11 September 2006 (<i>returned at Workshops from 25 September 2006</i>)
Assignment 3	Friday 6 October 2006 (<i>available from RH 708 from 16 October 2006</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>
Workshop participation	5%
Three assignments	15%
Two workshop presentations	20%
End of trimester exam (180 minutes)	60 %

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 of trimester exam.

The end of 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 of 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 10 of this Course Outline and deliver it to the Course Co-ordinator.

Should you wish to have your end of 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.

Penalties

Failure to meet mandatory course requirements will mean that you will not pass the course and will receive a K, D or E grade depending on whether your mark overall for the course is greater or lesser than 50%.

Mandatory Course Requirements

To meet the mandatory course requirements you must:

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

Marks for workshop presentations and your participation in workshops when you are not presenting, will be updated on Blackboard. Students who have any problems with these marks must see their tutor immediately or advise the Course Administrator.

Communication of Additional Information

Any additional information provided during lectures or information on changes to any aspects of the course will be conveyed to students through Blackboard announcements.

Faculty of Commerce and Administration Offices

Railway West Wing (RWW) - FCA Student and Academic Services Office

The Faculty's Student and Academic Services Office is located on the ground and first floors of the Railway West Wing. The ground floor counter is the first point of contact for general enquiries and FCA forms. Student Administration Advisers are available to discuss course status and give further advice about FCA qualifications. To check for opening hours call the Student and Academic Services Office on (04) 463 5376.

Easterfield (EA) - FCA/Education/Law Kelburn Office

The Kelburn Campus Office for the Faculties of Commerce and Administration, Education and Law is situated in the Easterfield Building - it includes the ground floor reception desk (EA005) and offices 125a to 131 (Level 1). The office is available for the following:

- Duty tutors for student contact and advice.
- Information concerning administrative and academic matters.
- Forms for FCA Student and Academic Services (e.g. application for academic transcripts, requests for degree audit, COP requests).
- Examinations-related information during the examination period.

To check for opening hours call the Student and Academic Services Office on (04) 463 5376.

General University Policies and Statutes

Students should familiarise themselves with the University's policies and statutes, particularly the Assessment Statute, the Personal Courses of Study Statute, the Statute on Student Conduct and any statutes relating to the particular qualifications being studied; see the Victoria University Calendar available in hard copy or under 'About Victoria' on the VUW home page at www.vuw.ac.nz

Student 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 are to be taken if there is a complaint. For information about complaint procedures under the Statute on Student Conduct, contact the Facilitator and Disputes Advisor or refer to the statute on the VUW policy website at 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

Academic Grievances

If you have any academic problems with your course you should talk to the tutor or lecturer concerned; class representatives may be able to help you in this. If you are not satisfied with the result of that meeting, see the Head of School or the relevant Associate Dean; VUWSA Education Coordinators are available to assist in 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

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. The University defines plagiarism as follows:

The presentation of the work of another person or other persons as if it were one's own, whether intended or not. This includes published or unpublished work, material on the Internet and the work of other student or staff.

It is still plagiarism even if you re-structure the material or present it in your own style or words.

Note: It is however, perfectly acceptable to include the work of others as long as that is acknowledged by appropriate referencing.

Plagiarism is prohibited at Victoria and is not worth the risk. Any enrolled student found guilty of plagiarism will be subject to disciplinary procedures under the Statute on Student Conduct and may be penalised severely. Consequences of being found guilty of plagiarism can include:

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

Find out more about plagiarism, and how to avoid it, on the University's website at www.vuw.ac.nz/home/studying/plagiarism.html

Students with Impairments

The University has a policy of reasonable accommodation of the needs of students with disabilities. The policy aims to give students with disabilities the same opportunity as 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, 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 (DSS) to discuss your individual needs and the available options and support on a confidential basis. DSS are located on Level 1, Robert Stout Building, telephone (04) 463 6070, email disability@vuw.ac.nz. The name of your School's Disability Liaison Person is in the relevant prospectus or can be obtained from the School Office or DSS.

Student Support

Staff at Victoria want students to have positive learning experiences at the University. Each Faculty has a designated staff member who can either help you directly if your academic progress is causing you concern, or quickly put you in contact with someone who can. Assistance for specific groups is also available from the Kaiwawao Māori, Manaaki Pihipihinga or Victoria International.

In addition, the Student Services Group (email student-services@vuw.ac.nz) is available to provide a variety of support and services. Find out more at www.vuw.ac.nz/st_services/.

VUWSA employs 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 (tel. 04 463 6983 or 04 463 6984, email education@vuwsa.org.nz) is located on the ground floor, Student Union Building.

Manaaki Pihipihinga - Maori and Pacific Mentoring Programme (Faculty of Commerce and Administration)

This is a mentoring service for Maori and Pacific students studying at all levels. Weekly one hour sessions are held at the Kelburn and Pipitea Campuses in the Mentoring Rooms, 14 Kelburn Parade, and Room 210 and 211, Level 2, Railway West Wing. Sessions cover drafting and discussing assignments, essay writing, and any questions that may arise from tutorials and/or lectures. A computer suite networked to Cyber Commons is available for student use.

To register with Manaaki Pihipihinga, please contact one of the following:

Puawai Wereta
Room 210, Level 2
Railway West Wing
Tel. (04) 463 8997
Email: Puawai.Wereta@yuw.ac.nz

Fa'afai Seiuli
Room 109 B
14 Kelburn Parade
Tel. (04) 463 5842
Email: Faafoi.Seiuli@yuw.ac.nz

Programme 2006

Week beginning	Topic	Lecturer	Gay & Simnett Chapter ref.	IFAC Auditing Standards
10 July	What are Assurance Services? What is an audit?	David Macdonald	1,2	ISA-200
17 July	Auditing Standards & Regulators	Tim Fairhall	1,2	ISA-210, 240, 250
24 July	The Audit process, including understanding the business	Tim Fairhall	5,6	ISA-300, 315, 550
31 July	(1 August – 2hrs) Current issues impacting the profession (2 August – 1hr) Corporate governance, professional ethics, and independence	Tim Fairhall David Macdonald	 2,3	 Code of Ethics for Professional Accountants
7 August	Corporate governance, professional ethics, and independence	David Macdonald	3	Code of Ethics for Professional Accountants
14 August	Materiality Risk	David Macdonald	7	ISA-320, 330
4 September	(5 September – 2hrs) Audit procedures. Audit evidence. Audit sampling (6 September – 1 hr) Controls & substantive approaches to account balances	David Macdonald Tim Fairhall	9,11 8,9	ISA-230, 500, 505, 520, 530 ISA 300,315,550
11 September	Forming an opinion on account balances: <ul style="list-style-type: none"> • Receivables & revenue • Taxation 	Tim Fairhall	9,10	ISA-540, 545, 600, 610, 620
18 September	Public Sector Auditing	David Macdonald	16	Auditor-General's AG-100 AG-1→AG-4
25 September	Management representation letter Statement of cash flows	Tim Fairhall	13	ISA-580
2 October	Completing the audit The auditor's reporting obligation "True & Fair" Vs GAAP	David Macdonald	12	ISA-260, 560, 700, 720
9 October	Going concern Contemporary audit issues	Tim Fairhall	4,14, 15, 17	ISA-570,

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 15 students per workshop are accepted.** Count the number of names under the tutorial to ensure that there are **fewer than 15** 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.

Application for Re-mark of Assessment Item by SACL – Course:.....

**Note: This form is for Re-Assessment Items worth less than 25% of total course assessment only.
Re-Assessment Items over 25% - application should be made through SAO**

Student ID NO:	Student Name:
Assessment piece: Assignment/Workshop <i>(Please circle one)</i>	Date due:

1. I wish the following to be re-assessed:

Explain your reason for requiring a re-assessment: (What part of the assignment or workshop has not been assessed?)(Attach a separate sheet if necessary)

2. I accept that the subsequent re-assessment may be higher, or no change from the current mark.

(Note: re-assessments are not undertaken for trivial mark changes)

3. I believe the re-assessment will result in a material difference

(Note: If the reason for the re-assessment is due to a comparison with another student’s answer/presentation, both assignments/workshop assessments must be submitted for re-assessment, with signatures from both students)

Student signature: _____ Date: _____

For office use only

Re-assessment will be completed by _____

Assignment/Wksp	Original Mark	Upgraded Mark
	Original Total Mark	Upgraded Mark

Course Coordinator signature: _____	Date: _____
-------------------------------------	-------------