

School of Accounting and Commercial Law

**ACCY 303 AUDITING**

Trimester Two 2007

**COURSE OUTLINE**

**Contact Details**

The *Course Lecturers* are as follows:

	<b>Office</b>	<b>Telephone</b>	<b>E-Mail Address</b>
Tim Fairhall	RH 631	463 6709	<a href="mailto:tim.fairhall@vuw.ac.nz">tim.fairhall@vuw.ac.nz</a>
David Macdonald	RH 601	463 5938	<a href="mailto:david.macdonald@vuw.ac.nz">david.macdonald@vuw.ac.nz</a>

Tim Fairhall and David Macdonald do not have regular office hours. Should they not be in their office when you call send them an email to make an appointment.

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](mailto:marina.dobrovolskaya@vuw.ac.nz).

The Administration Assistant 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 Administration Assistant.

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 Coordinator by email as soon as is reasonably possible. **Do not delay this until the end of the course or until after 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 10.30 – 11.20am and Thursday 10.30am – 12.20pm, commencing Monday 9 July 2007 in RH LT1.

## **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 content covered in this course is contained in the Course Programme set out on page 6.

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

- (1) Conduct research and analysis through working with and debating with other students
- (2) Recognise the place of audit in society and as a service provided by professionals
- (3) Appreciate the importance of such audit foundations as judgment, ethics, audit standards, business understanding and risk mitigation.
- (4) Recognise differences in emphasis between auditing in the public and private sectors in New Zealand
- (5) Recognise the choices available and the judgments necessary in reporting on financial statements.

## **Expected Workload**

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

- 3 hours in lectures;
- 5 hours preparing for and participating in workshops;
- 1 hour working on the assignment; 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 test and final exam. In order to benefit from lectures you should read the indicated readings relating to each lecture topic **before** the lecture.

## **Group Work**

Working in groups is an important component of this course. The content and expectations of workshops/tutorials is explained under Assessment Requirements on page 2.

## **Readings**

The text for this course is Gay & Simnett – *Auditing and Assurance Services in Australia* – 3<sup>rd</sup> edition revised (McGraw-Hill Australia ISBN 0074717417). The 3<sup>rd</sup> edition is also suitable albeit it is not as up to date with the latest IFAC standards and the changed legislative requirements and scrutiny by regulators in Australia (McGraw-Hill Australia ISBN 0074715635)

Further readings will be included in the two Course Materials Books and the separate booklet titled IFAC promulgations. Additional readings may be distributed and/or referred to during lectures.

## **Assessment Requirements**

### **a) Workshop presentations**

There will be six workshops held during the weeks beginning: 30 July, 6 August, 17 September, 24 September, 1 October and 8 October 2007. The 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 16 July 2007.

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. All students for the first two presentations will be contacted by the Administration Assistant providing contact details for the other team members in accordance with the details you provide in your workshop sign up per page 8.

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 approximately 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 in accordance with the parameters on page 7.

The presentation team will not be all the same students for the first and second presentation.

No publication or otherwise of the suggested solutions to workshops will be given on Blackboard or distributed by tutors. Tutors however will ensure (based on guidance notes provided by the lecturers) that the topics are covered adequately during the presentation and in the accompanying debate. Hence you will need to attend the workshop to ensure you can expand and/or clarify your understanding of the workshop topic.

**The mark for your presentation will be shown on Blackboard immediately following the workshop. Should you have any problem with these marks you must contact your tutor before the next workshop or by 15 October 2007 in the case of the last workshop.** If still not satisfied you will need to complete the form at page 9 and submit it to the Administration Assistant.

#### ***b) Workshop participation and bullet-point solutions***

Students (other than those presenting) are 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 bullet-point solution for use at the workshop.

Where you are not one of the presenters, a Yes/No will be recorded for your attendance and a Yes/No will be recorded for your oral participation in the six presentation workshops. While you will not receive a formal mark for your bullet-point solution, it will be reviewed in determining your preparation for the workshop. **Should you have any problem with these Yes/No's you must contact your tutor before the next workshop or by 15 October 2007 in the case of the last workshop.** If still not satisfied you will need to complete the form at page 9 and submit it to the Administration Assistant

You will receive either 0 marks or 5 marks based on your participation orally and the bullet-point solutions you submitted for the workshops. This mark will be posted on Blackboard by 17 October 2007. Should you have any problems with your mark you must contact the Course Coordinator immediately by email.

#### ***c) Mid-course exam***

There will be a 75 minute test in the 6<sup>th</sup> week of the course. Immediately following the test and after collection of the test papers, the tutor or lecturer supervising the test will go over the coverage expected from the test. For those not wishing to stay for the remaining 35 minutes after the test to discuss the coverage they may leave the room. The test will be open-book.

#### ***d) Assignment***

There will be one assignment in the course, which should be between 1300 – 1700 words. The topic for the assignment will be advised by posting on Blackboard on Monday 6 August 2007.

The assignment is to be placed in the nominated box on the Mezzanine floor of Rutherford House **before** 12 noon on Friday 21 September 2007. The marked assignment will be returned at workshops in the week beginning 8 October 2007 along with the suggested coverage.

**Penalty: Late assignments will NOT be accepted.** Marks for the assignment will be posted on Blackboard. Should you have any problems with your mark after reviewing the suggested coverage you will need to complete the form at page 9 and submit it to the Administration Assistant.

***e) Final exam***

The final 3-hour exam will cover the entire course content, with emphasis on the last seven weeks of lectures, workshops and the assignment. A decision on whether the exam is open-book will be advised following the results of the mid-course test. A summary of the areas that are expected to be covered in your answers to the final exam will be posted on Blackboard after the exam. The university examination period is between 15 October and 11 November 2007.

Should you wish to have your final 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.

***e) Final grade determination***

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

<i>Item of assessment</i>	<i>Marks available</i>
<b>Workshop participation</b>	<b>5</b>
<b>Assignment</b>	<b>10</b>
<b>Mid-course test</b>	<b>15</b>
<b>Two workshop presentations</b>	<b>20</b>
<b>Final exam</b>	<b>50</b>

**To pass this course, students must:**

- a) **Meet the mandatory course requirements (see below); AND**
- b) **Obtain at least 29 of the 65 marks available from the mid-course test and final exam.**

**Mandatory Course Requirements**

To meet the mandatory course requirements you must:

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

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

**Communication of additional information**

Any additional information will be communicated via Blackboard.

## **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 or go to [www.vuw.ac.nz/policy](http://www.vuw.ac.nz/policy).

For information on the following topics, go to the Faculty's website [www.vuw.ac.nz/fca](http://www.vuw.ac.nz/fca) under Important Information for Students:

- Academic Grievances
- Academic Integrity and Plagiarism
- Student and Staff Conduct
- Meeting the Needs of Students with Impairments
- Student Support

## **Manaaki Pihipihinga Programme**

Manaaki Pihipihinga is an academic mentoring programme for undergraduate Māori and Pacific students in the Faculties of Commerce and Administration, and Humanities and Social Sciences. Sessions are held at the Kelburn and Pipitea Campuses in the Mentoring Rooms, 14 Kelburn Parade (back courtyard), Room 109D, and Room 210, Level 2, Railway West Wing. There is also a Pacific Support Coordinator who assists Pacific students by linking them to the services and support they need while studying at Victoria. Another feature of the programme is a support network for Postgraduate students with links to Postgraduate workshops and activities around Campus.

For further information, or to register with the programme, email [manaaki-pihipihinga-programme@vuw.ac.nz](mailto:manaaki-pihipihinga-programme@vuw.ac.nz) or phone (04) 463 5233 ext. 8977. To contact the Pacific Support Coordinator, email [pacific-support-coord@vuw.ac.nz](mailto:pacific-support-coord@vuw.ac.nz) or phone (04) 463 5842.

## Programme 2007

<b>Week beginning</b>	<b>Topic</b>	<b>Lecturer</b>	<b>Gay &amp; Simnett Chapter reference</b>	<b>IFAC Promulgation reference</b>
9 July	Assurance services and the audit. The audit process mind map.	David Macdonald	1,14	
16 July	Audit acceptance, engagement risk and planning Auditing standards	Tim Fairhall	3,6 1,2	ISA 210, 520 CONTENTS
23 July	Corporate governance, professional ethics and independence	David Macdonald	1,2,3	ETHICS
30 July	The public sector audit	David Macdonald	1,2,16	
6 August	Fraud Audit regulation Earnings management	Tim Fairhall	4,7 2 1,7	ISA 240
13 August	Materiality Audit risk	David Macdonald	7 5,8	ISA 320 ISA 330
3 September	Understanding the business, including internal controls Guest lecture?	Tim Fairhall	5,6,7,8	ISA 315
10 September	Understanding the business, including internal controls Guest lecture?	Tim Fairhall	5,6,7,8	ISA 315
17 September	Obtaining evidence, considering sampling and materiality Controls procedures	David Macdonald (2hrs) Tim Fairhall (1hr)	5,10,11 5,8,9,17	ISA 500
24 September	Substantive procedures, including use of experts	Tim Fairhall	5,8,10,15	ISA 540, 550 ISA 610, 620
1 October	Completing the audit The auditor's reporting obligation "True & Fair" Vs GAAP	David Macdonald	1,2,12,13	ISA 580 ISA 700, 701
8 October	Guest lecture? What makes a good auditor? Revision	Tim Fairhall Tim & David		IES 8

# **Student assessment areas for workshop presentations**

## ***Assessment process***

Students will be assessed according to the following criteria, with a mark given of 0,1 or 2 in each of the first three categories and 0,1,2,3 or 4 in the last category. The key aspects that tutors will be addressing within each of these categories are recorded below:

### **1. Does it appear the student had prepared well for the presentation?**

- Background material reviewed
- Key issues identified from background material
- Evidence of exploration of the topic

### **2. Was there a coordinated and logical presentation of the material by each team member in addressing the question(s)?**

- Flow of presentation is logical
- Demonstrate understanding of where each team member's contribution fits in the presentation
- Time management (80-90 minutes presentation and questions; at least 15 minutes at end for tutor evaluation with presentation team)

### **3. Did the student speak on the topic and confidently during their part of the presentation, including any use made of overheads and/or whiteboard, to illustrate their arguments?**

- Effectiveness in engaging the audience
- Arguments were properly supported
- Succinctness in the presentation
- Had an opinion

### **4. How concise and willing was the student in engaging the others in the class in debate and in answering questions concerning their presentation, either through interjections during or questions following the conclusion of the presentation?**

- Responded to the actual question asked with sound logic
- Demonstrated a good understanding of the topic
- Response credible
- Involved other team members, if appropriate, in giving answers

## Detailed Tutorial Signup Instructions

1. Go to the signup website at: <https://signups.vuw.ac.nz>
2. Enter your SCS username and password to login the system.
3. The “Signup Home” page opens. It displays all courses you are enrolled for and that use the S-Cubed Tutorial & Workshop Signup system. Click on the course you wish to sign up for.
4. The selected course page opens. It will show the course contact and brief details of the signup instructions. A “key” is provided at the bottom that explains all buttons and what they do.
5. The schedule of tutorials includes the day/time, location, maximum group size, and spaces left in the tutorial sessions.
6. If there are spaces left in a particular session, you will see the “ENROL” button next to it. You can click this button to enrol yourself into that tutorial session.
7. If there are NO more spaces left in a particular session, you will see the “JOIN WAITLIST” button, if available. You can click this button to join the waitlist for that tutorial session. Please note that you will be removed from any other waitlist you may have joined earlier. If somebody withdraws from this session, you will automatically be moved up the waitlist or enrolled into the session. In this case you are enrolled in the session; an email will be sent to you if you are enrolled into the session from a waitlist.
8. You can only “JOIN WAITLIST” if you have already enrolled in one of the other available sessions. In other words, “ENROL” in one session and then you can choose to join the waitlist for another preferred session.
9. You can choose to “WITHDRAW” from a session you have already enrolled for. You can also choose to “CANCEL WAITLIST” to remove yourself from a particular waitlist.
10. A “FULL” button indicates all seats and waitlist are full for that tutorial session. You must choose another session.
11. More details on the various buttons are available in the “Key” section at the bottom of the signup page.
12. You should “ENROL” in only ONE tutorial session and may “JOIN WAITLIST” for only ONE other tutorial session.
13. You can login and signup (or change your signup) anytime before the **closing date of the tutorial signup. You will NOT be able to sign up or change your choice after the tutorial signups have closed.**
14. You can view/confirm details of the sessions you are enrolled and waitlisted for, such as day/time and location by clicking on “My Signups” on the left hand menu.
15. Click on “Support” on the left hand menu if you are having problems.

This online signup system is available around the clock over the internet. Any requests after this date will need to be manually handled by the course administrator. You will need to submit a written application stating the reason why you were not able to sign up on time using the online system, along with other relevant documentation such as medical certificate etc.

Finally, **you must always attend the tutorial sessions that you have signed up for.** If you attend a different session, your attendance may not be recorded.





<p><u>SURNAME</u>:.....</p> <p>FIRST NAME:.....</p> <p>STUDENT ID:.....</p> <p>TUTORIAL GROUP NUMBER:.....</p> <p>ACCY 303 Bullet Point Summary No <b>6</b> Due on Friday, 5 October 2007 by 12 noon</p>	<p><u>SURNAME</u>:.....</p> <p>FIRST NAME:.....</p> <p>STUDENT ID:.....</p> <p>TUTORIAL GROUP NUMBER:.....</p> <p>ACCY 303 Bullet Point Summary No <b>5</b> Due on Friday, 28 September 2007 by 12 noon</p>
<p><u>SURNAME</u>:.....</p> <p>FIRST NAME:.....</p> <p>STUDENT ID:.....</p> <p>TUTORIAL GROUP NUMBER:.....</p> <p>ACCY 303 Bullet Point Summary No <b>4</b> Due on Friday, 21 September 2007 by 12 noon</p>	<p><u>SURNAME</u>:.....</p> <p>FIRST NAME:.....</p> <p>STUDENT ID:.....</p> <p>TUTORIAL GROUP NUMBER:.....</p> <p>ACCY 303 Bullet Point Summary No <b>3</b> Due on Friday, 14 September 2007 by 12 noon</p>
<p><u>SURNAME</u>:.....</p> <p>FIRST NAME:.....</p> <p>STUDENT ID:.....</p> <p>TUTORIAL GROUP NUMBER:.....</p> <p>ACCY 303 Bullet Point Summary No <b>2</b> Due on Friday, 3 August 2007 by 12 noon</p>	<p><u>SURNAME</u>:.....</p> <p>FIRST NAME:.....</p> <p>STUDENT ID:.....</p> <p>TUTORIAL GROUP NUMBER:.....</p> <p>ACCY 303 Bullet Point Summary No <b>1</b> Due on Friday, 27 July 2007 by 12 noon</p>

