



School of Accounting and Commercial Law

ACCY 303 AUDITING

Trimester Two 2008

COURSE OUTLINE

Contact Details

The *Course Lecturers* are as follows:

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

Tim Fairhall and David Macdonald do not have regular office hours. If they are not 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 *Administrator* is Marina Dobrovol'skaya, Reception (RH 708), Phone direct 463 5775, or email marina.dobrovol'skaya@vuw.ac.nz.

Please contact the Administrator regarding any changes to scheduled workshop attendance and other inquiries of an administrative nature.

If you believe your performance in this course regarding any of the specified mandatory course requirements is 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 Coordinator* is Tim Fairhall, Room RH 631, Phone direct 463 6709, or email tim.fairhall@vuw.ac.nz

Class Times and Room Numbers

Lectures are scheduled for Monday & Wednesday 9.30 – 10.20am and Thursday 4.40pm – 5.30pm, commencing Monday 7 July 2008 in RH LT1.

Course Objectives & Content

This course assumes students have taken the introductory course in audit ACCY 232 and have a solid grasp of the accounting and law relating to private and public sector enterprises - especially the key concepts that underpin financial statements prepared in accordance with NZ GAAP, management accounting processes, taxation and business law. Without this understanding it is not possible to assimilate advanced auditing concepts.

The content covered in this course is contained in the Course Programme summarised on page 7 of this Course Outline.

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

- (1) Analyse current auditing issues through working with and debating with other students.
- (2) Evaluate some of the issues precipitated by world events being faced by audit professionals.
- (3) Enhance their understanding of audit judgment, acceptable audit practices, and auditor liability.
- (4) Understand differences in auditing in the public and private sectors in New Zealand.
- (5) Examine some choices available in NZIFRS and the resultant audit judgments necessary in reporting on account balances in 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 chapters and ISAs 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 below.

Readings

The text for this course has been customised by Wiley based around two existing texts and certain of the International Federation of Accountants' (IFAC) International Standards of Auditing (ISA).

Lecture summaries will be handed out at lectures and posted on *Blackboard*. In this first year of the substantially revised ACCY 303 advanced auditing course, some additional readings may need to be distributed and/or referred to during lectures. Such additional material will be posted on *Blackboard*.

Assessment Requirements

a) Workshop presentations

There will be six workshops held during the weeks beginning: 28 July, 4 August, 11 August, 15 September, 22 September and 29 September 2008. The workshops will take the form of a case study where all students will be given the background material two weeks before the workshop.

The case study will be presented by a group of 4 or 5 students (depending on the size of the workshop group). Workshop groups and presenting teams 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 14 July 2008.

The success of case study presentations largely depends on the 4 or 5 students getting together before the presentation to plan how it will be run. Hence, you should contact one another once the workshop lists are published on *Blackboard*, using the standard VUW student email addresses. If you do not use your VUW student email address, then make sure you have created a divert within VUW email to your preferred email address, which could be gmail, yahoo, etc.

Case study 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 15 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 group are expected to debate the case study with the presenting students. The workshops will have the facility to last up to 90 minutes to allow sufficient debate on the topic(s) - and, to allow time for the individual students making the presentation to be assessed by the tutor in accordance with the parameters on page 8 of this Course Outline

The presentation teams will differ for the first and second presentations.

No publication or otherwise of the suggested solutions to workshops will be given on *Blackboard* or distributed by tutors. However, tutors 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 8 October 2008 in the case of the last workshop. If still not satisfied you will need to complete the form at page 10 of this Course Outline and submit it to the Administrator.

b) Workshop participation and bullet-point solutions

Students (other than those presenting) are required to prepare a bullet-point solution and transfer it electronically to the designated assignment folder on *Blackboard* **before** Friday 12 noon of the week preceding the workshop.

The bullet-points will not be able to be seen by other students, but they will be accessible by tutors in order to assess your preparedness for the workshop presentation.

To assist in your learning of the workshop topic you should 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 the adequacy of 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 8 October 2008 in the case of the last workshop.** If still not satisfied you will need to complete the form at page 10 of this Course Outline and submit it to the Administrator.

You will receive either 0 marks or 5 marks based on your oral participation and the bullet-point solutions you submitted for the workshops. This mark will be posted on *Blackboard* by 10 October 2008. Should you have any problems with your mark you must contact the Course Coordinator immediately by email.

c) Mid-course test

There will be a 75 minute multi-choice test on 7 August 2008. Immediately following the test and after collection of the test papers, the tutor or lecturer supervising the test will spend up to 35 minutes going over the answers. [Those not wishing to stay for this discussion may leave the room.] The test will be open-book.

d) Assignment

There will be one assignment, which should be between 1,300 – 1,700 words. The topic for the assignment will be advised on *Blackboard* on Monday 4 August 2008. The assignment is to be placed in the designated assignment folder on *Blackboard* **before** 12 noon on Friday 19 September 2008. The marked assignment will be returned at workshops in the week beginning 29 September 2008 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 10 of this Course Outline and submit it to the Administrator.

e) Final exam

The final 3-hour exam will cover the entire course content, with emphasis on the last eight weeks of lectures, the workshops and the assignment. The exam will be open-book. 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 13 October and 15 November 2008.

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>
Workshop participation	5
Assignment	10
Mid-course test	15
Two workshop presentations	20
Final exam	50

To pass this course, students must:

- a) **Meet the mandatory course requirements (see below); AND**
- b) **Obtain at least 29 (45%) of the 65 marks available from the mid-course test and final exam.**

Mandatory Course Requirements

To meet the mandatory course requirements students must:

- a) Give 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 on the ground floor (EA005). This counter is the first point of contact for :

- 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.victoria.ac.nz/home/about/policy/students.aspx

For information on the following topics, go to the Faculty's website www.victoria.ac.nz/fca under Important Information for Students:

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

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 students 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:

www.victoria.ac.nz/home/studying/plagiarism.html

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 or phone (04) 463 6015. To contact the Pacific Support Coordinator, email pacific-support-coord@vuw.ac.nz or phone (04) 463 5842.

Programme 2008

Week beginning	Topic	Lecturer	Custom text reference	IFAC ISA reference
7 July	Overview of the audit of financial statements. The audit process mind map	David Macdonald	2. Overview of the audit of financial statements – Leung chapter 4	
14 July	Client evaluation and planning the audit	Tim Fairhall	3. Client evaluation and planning the audit – Leung chapter 5	
21 July	Auditor liability	David Macdonald	1. The auditor's legal liability – Leung chapter 3	
28 July	Earnings management	Tim Fairhall	7. Paying for performance – Johnson chapter 3 8. Earnings management – Johnson chapter 4	
4 August	The role of auditing and assurance in corporate and enterprise governance	David Macdonald	6. The role of auditing... - Leung chapter 16 10. Further guidance for audit committees... - Johnson chapter 16	20. ISA 610
11 August	Public and private sector audits contrasted	David Macdonald	6. The role of auditing... - Leung chapter 16	
1 September	Using judgment in an audit	Tim Fairhall		15. ISA 540 16. ISA 545
8 September	Fraud, materiality and related parties	Tim Fairhall	3. Client evaluation and planning the audit – Leung chapter 5 9. Australian Wheat Board chapter 10	11. ISA 240 12. ISA 320 17. ISA 550
15 September	Use of analytics and obtaining evidence to support account balances Guest lecture?	Tim Fairhall		13. ISA 500 14. ISA 520
22 September	Completing the audit and reporting thereon	David Macdonald	4. Completing the audit – Leung chapter 14 5. Reporting on financial statements – Leung chapter 15	18. ISA 560 19. ISA 570 21. ISA 701 22. ISA 720
29 September	Contemporary audit issues Guest lecture?	Tim Fairhall		
6 October	Regulation of auditors What makes a good auditor? Revision	Tim Fairhall Tim & David		

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 Workshop Signup Instructions

1. Go to the signup website at: <https://signups.victoria.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.

