

School of Accounting and Commercial Law

ACCY 303 AUDITING

Trimester Two 2009

COURSE OUTLINE

Names and 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 Dobrovolskaya, Reception (RH 708), Phone direct 463 5775, or email marina.dobrovolskaya@vuw.ac.nz. (Office hours: Monday-Friday 8.30am-5pm. Office is closed: 10.30-10.45am and 3.30-3.45pm.)

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

Trimester Dates

Teaching Period: Monday 13 July to Friday 16 October 2009

End of Year Study Period: Monday 19 October to Monday 26 October 2009

Examination Period: Tuesday, 27 October to Saturday 14 November 2009 (inclusive)

Note: Students who enrol in courses with examinations should be able to attend an examination at the University at any time during the formal examination period.

Withdrawal dates

Information available via

<http://www.victoria.ac.nz/home/admisenrol/payments/withdrawalsrefunds.aspx>

Class Times and Room Numbers

Lectures are scheduled for Monday & Wednesday 12.40pm – 1.30pm and Thursday 11.30am – 12.20pm, commencing Monday 13 July 2009 in GB LT1.

Course 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.

Course Learning Objectives

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 which are being faced by audit professionals.
- (3) Explain what is meant by audit judgment, acceptable audit practices and auditor liability.
- (4) Explain differences in auditing in the public and private sectors in New Zealand..

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). It is titled *Modern Auditing & Assurance Services 3e 2008* Tim Fairhall ISBN 978 0 470 81985 2.

Lecture summaries are included in the Course Materials Book. Any additional material, in particular that provided by guest lecturers, will be posted on *Blackboard*.

Assessment Requirements

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

<i>Item of assessment</i>	<i>Marks available</i>
---------------------------	------------------------

Two workshop presentations	20
Workshop participation	5
Mid-course test	15
Assignment	10
Final exam	50
TOTAL MARKS	100

a) Workshop presentations

There will be six workshops held during the weeks beginning: 3 August, 10 August, 17 August, 21 September, 28 September and 5 October 2009. 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 20 July 2009.

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 each presentation out of 10 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 12 October 2009 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 1 will be recorded for your attendance (0 for non-attendance) and a 1 will be recorded for the adequacy of your bullet-point summary/oral participation (0 for inadequate preparation and/or participation) in the four workshops concerned. The 1 and 0 are not marks, but are the only means of recording allowed by Blackboard. 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 1's or 0's you must contact your tutor before the next workshop or by 12 October 2009 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.

During the week beginning 12 October 2009, you will receive either 5 marks or 0 marks based on your oral participation and the bullet-point solutions you submitted for the four workshops in which you were not presenting. This mark will be posted on *Blackboard* at latest by 17 October 2009. 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 short-answer written test in the week beginning 10 August 2009 on a day and time still to be organised. 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 10 August 2009. The assignment is to be placed in the designated assignment folder on *Blackboard* **before** 12 noon on Friday 25 September 2009. The marked assignment will be returned at workshops in the week beginning 5 October 2009 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 19 October and 14 November 2009.

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.

Note:

Students who enrol in courses with examinations should be able to attend an examination at the University at any time during the formal examination period.

f) Final grade determination

To pass this course, students must meet mandatory course requirements, which are:

- a) Obtain at least 29 (45%) of the 65 marks available from the mid-course test and final exam
- b) Give two workshop presentations; **and**
- c) 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 grade.

Note: Your assessed work may also be used for quality assurance purposes, such as to assess the level of achievement of learning objectives as required for accreditation and audit purposes. The findings may be used to inform changes aimed at improving the quality of FCA programmes. All material used for such processes will be treated as confidential, and the outcome will not affect your grade for the course.

Communication of additional information

Any additional information will be communicated via *Blackboard*.

For the following important information follow the links provided:

Academic Integrity and Plagiarism

<http://www.victoria.ac.nz/home/study/plagiarism.aspx>

General University Policies and Statutes

<http://www.victoria.ac.nz/home/about/policy/academic.aspx>

Faculty of Commerce and Administration Offices

<http://www.victoria.ac.nz/fca/studenthelp/Contactus.aspx>

Manaaki Pihipihinga Programme

http://www.victoria.ac.nz/st_services/mentoring/

Programme 2009

Week beginning	Topic	Lecturer	Custom text Contents reference	IFAC ISA reference
13 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	
20 July	Client evaluation and planning the audit	Tim Fairhall	3. Client evaluation and planning the audit – Leung chapter 5	
27 July	Auditors' legal liability	David Macdonald	1. The auditor's legal liability – Leung chapter 3	
3 August	Earnings management	Tim Fairhall	7. Paying for performance – Johnson chapter 3 8. Earnings management – Johnson chapter 4	
10 August	Enterprise governance	David Macdonald	6. The role of auditing... - Leung chapter 16 10. Further guidance for audit committees... - Johnson chapter 16	20. ISA 610
17 August	Using judgment in an audit	Tim Fairhall		15. ISA 540 16. ISA 545
7 September	Public sector auditing	David Macdonald	6. The role of auditing... - Leung chapter 16	
14 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
21 September	Contemporary audit issues Guest lecture?	Tim Fairhall		
28 September	Use of analytics and obtaining evidence to support account balances Guest lecture?	Tim Fairhall		13. ISA 500 14. ISA 520
5 October	Completing the audit	David Macdonald	4. Completing the audit – Leung chapter 14	14. ISA 520 18. ISA 560 19. ISA 570 21. ISA 701 22. ISA 720
12 October	The auditor's reporting obligation	David Macdonald	2. Overview of the audit of financial statements – Leung chapter 4 5. Reporting on financial statements – Leung	19. ISA 570 21. ISA 701 22. ISA 720

	Revision	Tim & David	chapter 15	
--	----------	-------------	------------	--

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.

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/Mid-course test Date due: <i>(Please circle one)</i>	

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

Explain your reason for requiring a re-assessment: *(What part of the assignment or workshop or mid-course test has not been properly assessed?) (Write on the back of this 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/mid-course test 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/Workshop/ Mid-course test	Original Mark	Upgraded Mark
	Original Total Mark	Upgraded Mark

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