

School of Accounting and Commercial Law

ACCY 303 ADVANCED AUDITING

Trimester Two 2010

COURSE OUTLINE

Names and Contact Details

Course Coordinator &

Lecturer:

Tim Fairhall

RH 631

463-6709

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Lecturer:

David Macdonald

RH 601

463-5938

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Course Administrator

Ms Rainet Mutandwa

RH 708

463-5383

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(Office hours: Monday-Friday 8.30am-5pm. Office is closed: 10.30-10.45am and 3.30-3.45pm.)

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.

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.**

Trimester Dates

Teaching Period: Monday 12th July – Friday 15th October 2010

Study Period: Monday 18th October – Thursday 21st October 2010

Examination Period: Friday 22nd October – Saturday 13th November 2010 (inclusive)

Withdrawal from Courses:

Your fees will be refunded if you withdraw from this course on or before **23 July 2010**

The last date for withdrawal from this course is the three-quarter point of the teaching period, i.e. **Friday 24 September 2010**. After that date, withdrawal requires the permission of the Associate Dean (Students) as set out in section 8 of the Personal Courses of Study Statute.

<http://policy.vuw.ac.nz/Amphora!~policy.vuw.ac.nz~POLICY~000000001743.pdf>

To apply for permission, fill in the Late Withdrawal form available from either of our Student Customer Service Desks.

Class Times and Room Numbers

Lectures are scheduled for Monday, Wednesday and Thursday 2.40pm – 3.30pm, commencing Monday 12 July 2010 in RH LT2.

Course Content

Programme 2010

(RHLT2 – Monday, Wednesday & Thursday 2.40 – 3.30pm)

Week beginning	Topic	Lecturer	Custom text Contents reference
12 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
19 July	Client evaluation and planning the audit	Tim Fairhall	3. Client evaluation and planning the audit – Leung chapter 5
26 July	Auditors' legal liability	David Macdonald	1. The auditor's legal liability – Leung chapter 3
2 August	Earnings management	Tim Fairhall	7. Paying for performance – Johnson chapter 3 8. Earnings management – Johnson chapter 4
9 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
16 August	Using judgment in an audit	Tim Fairhall	15. ISA 540 16. ISA 545
6 September	Public sector auditing	David Macdonald	6. The role of auditing... - Leung chapter 16
13 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
20 September	Contemporary audit issues Guest lecture?	Tim Fairhall	

27 September	Use of analytics and obtaining evidence to support account balances Guest lecture?	Tim Fairhall	13. ISA 500 14. ISA 520
4 October	Completing the audit	David Macdonald	4. Completing the audit – Leung chapter 14 14. ISA 520 21. ISA 701 18. ISA 560 22. ISA 720 19. ISA 570
11 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 chapter 15 19. ISA 570 22. ISA 720 21. ISA 701
	Revision	Tim & David	

Course Learning Objectives

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 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 currently 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.

Course Delivery

The course is delivered through

- 3 one-hour lectures over 12 weeks
- 6 two-hour workshops

Further information concerning the workshops including expectations of students and sign up procedures can be found under “Workshop presentations” on page 4.

Expected Workload

You should expect to spend on average **20** hours per week on the course. How this time is made up will vary from week to week, but would typically comprise:

- 3 hours in lectures;
- **6** hours preparing for and participating in workshops;
- 1 hour working on the assignment; and
- **10** hours reading for lectures, revising lecture and workshop notes **including test and exam revision** and maintaining currency with business news.

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 on the custom text 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 ISAs. 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, including that provided by guest lecturers, will be posted on *Blackboard*.

Materials permitted in mid trimester test and final examination

The Mid Trimester Test and Final Exam are both open book and you may bring whatever materials you like into the exam room. Be aware that lecturers do not have spare copies of the course materials book available for loan and it is your responsibility to make sure you have a copy of anything you may wish to refer to during the test and final exam.

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
Exam	50
TOTAL MARKS	100

a) Workshop presentations

There will be six workshops held during the weeks beginning: 2 August, 9 August, 16 August, 20 September, 27 September and 4 October 2010. 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 sign-up instructions can be found on page 9. 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 19 July 2010.

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, hotmail 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 below.

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

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 11 October 2010 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.

Workshop subjects are likely to be considered as possible exam topics.

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 so they can 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 11 October 2010 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 11 October 2010, you will receive either 5 marks or 0 marks based on both 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 16 October 2010. 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 9 August 2010 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 9 August 2010. The assignment is to be placed in the designated assignment folder on *Blackboard* **before** 12 noon on Friday 24 September 2010. The marked assignment will be returned at Workshops in the week beginning 4 October 2010 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 on page 10 of this Course Outline and submit it to the Administrator.

e) Exam

The 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. The suggested solutions to the final exam will be posted on *Blackboard* after the exam. The university examination period is Friday 22nd October to Saturday 13th November 2010 (inclusive)

Should you wish to have your 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.

Quality of FCA programmes for accreditation purposes

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.

Examinations

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

The examination for this course will be scheduled at some time during the period

Friday 22nd October – Saturday 13th November 2010 (inclusive)

Penalties

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.

Mandatory Course Requirements

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 fail grade (if your course mark is 50% or better) or a D or E.

Class Representative

A class representative will be elected in the first class, and that person's name and contact details will be available to VUWSA, the Course Coordinator and the class via a Blackboard posting. The class representative provides a communication channel to liaise with the Course Coordinator on behalf of students.

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>

AVC (Academic) Website: information including: Conduct, Academic Grievances, Students with Impairments, Student Support

http://www.victoria.ac.nz/home/about_victoria/avcacademic/Publications.aspx

Faculty of Commerce and Administration Offices

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

Manaaki Pihipihinga Programme

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

Detailed Workshops (Tutorial) Group Sessions' 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 workshop 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 workshop 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 workshop 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 workshop 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 workshop session and may "JOIN WAITLIST" for only ONE other workshop session.
13. You can login and signup (or change your signup) anytime before the **closing date of the tutorial group sessions' signup. You will NOT be able to sign up or change your choice after the tutorial group sessions' signup has 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 workshop group sessions that you have signed up for.** If you are unable to attend your designated group for unavoidable reasons you can attend a different session where you must advise the tutor of the different session so your attendance is 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: (Please circle one)	

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: _____
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