

School of Accounting and Commercial Law

**MMPA 510 AUDITING**

Trimester Two 2011

**COURSE OUTLINE**

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<b>Names and Contact Details</b>	<b>Office</b>	<b>Telephone</b>
<i>Course Coordinator &amp; Lecturer</i>	Tim Fairhall <a href="mailto:Tim.Fairhall@vuw.ac.nz">Tim.Fairhall@vuw.ac.nz</a> <i>Office Hours: no fixed office hours, always contactable by email where an appointment can be made if necessary</i>	RH 631 463 6709
<i>Lecturer</i>	Ainul Islam <a href="mailto:Ainul.Islam@vuw.ac.nz">Ainul.Islam@vuw.ac.nz</a> <i>Office Hours: no fixed office hours, always contactable by email where an appointment can be made if necessary</i>	RH 604 463 6107
<i>Course Administrator</i>	Pinky Shah <a href="mailto:Pinky.Shah@vuw.ac.nz">Pinky.Shah@vuw.ac.nz</a> <i>Office hours: Monday-Friday, 8.30am-5pm (Note: Office closed 10.30am-10.45am and 3.30pm-3.45pm)</i>	RH 728 463 6921

**Trimester Dates**

Monday 11 July – Friday 14 October

**Withdrawal from Course**

Your fees will be refunded if you withdraw from this course on or before 22 July 2011.

The standard last date for withdrawal from this course is Friday 23 September 2011. After this date, students forced to withdraw by circumstances beyond their control late must apply for permission on an 'Application for Associate Dean's permission to Withdraw Late' including supporting documentation.

The application form is available from either of the Faculty's Student Customer Service Desks.

## **Class Times and Room Numbers**

Classes will take place on:

**Tuesday:** 12.40 – 3.30pm

**Venue:** Rutherford House, Lecture Theatre 3 (RHLT3)

## **Course Content**

The role of external auditing in meeting the needs of both profit and service-oriented entities and in assisting the smooth functioning of financial markets; securing corporate accountability (including professional, ethical and technical requirements); and current auditing and assurance research issues.

## **Course Learning objectives**

Students who are successful in the course will be able to:

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

## **Course Delivery**

Throughout this course the application of theoretical knowledge and concepts of auditing and New Zealand International Standards on Auditing will be applied to relevant auditing contexts. The course will be delivered through ten 3-hour classes involving lectures, class discussions and workshops centred on student presentations.

## **Expected Workload**

Students will be expected to spend at least 150 hours on this course. The 150 hours includes:

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|---|----------|
| • Lectures on audit topics                        | 20 hours |
| • Presentations by students on audit topics       | 10 hours |
| • Custom text readings prior to the lectures      | 20 hours |
| • Preparation for workshops & group discussions   | 30 hours |
| • Preparation for presentations                   | 20 hours |
| • Study for two tests                             | 40 hours |
| • Keeping up to date with business and audit news | 10 hours |

## Teaching Schedule

Week	Text readings pages	Topic	Lecturer
Week 1	1 – 113; 470 – 520; 584 – 595; 608 – 630	What are assurance services? What is an audit?	Tim Fairhall
Week 2	1 – 113; 596 – 607;	Corporate governance (and the contribution of auditing thereto) Professional ethics Independence Audit standards Group discussion 1	Tim Fairhall
Week 3	155 – 269; 470 – 523; 530 – 538;	The audit process Evaluating the client and planning the audit Group discussion 2	Ainul Islam
Week 4	155 – 316; 470 – 520; 524 – 530; 539 – 545; 556 – 561;	Fraud, materiality and related parties Group discussion 3	Ainul Islam
Week 5		<b>Mid-Trimester test</b>	Ainul Islam
Week 6	155 – 269; 548 – 555;	Audit evidence including analytical procedures Group discussion 4	Ainul Islam
<b>MID-TRIMESTER BREAK: 22 August – 4 September (incl)</b>			
Week 7	317 – 409; 545 – 547; 561 – 583;	Completing the audit and the audit opinion Presentation 1	Ainul Islam
Week 8	114 – 154;	Auditor liability Presentation 2	Tim Fairhall
Week 9	410 – 445;	Public and private sector audits contrasted Presentation 3	Tim Fairhall
Week 10		Regulation of auditors Presentation 4	Ainul Islam
Week 11	<i>Chapter 7: Earnings management and the quality of financial reporting</i>	Contemporary audit issues Presentation 5	Tim Fairhall
Week 12		<b>Final test</b>	Tim Fairhall

### Readings

Students will need to purchase the custom text that is required for this course, titled ‘ACCY 330 Auditing Fundamentals’ compiled by Tim Fairhall ISBN 978 0 390 26572 2.

## Assessment Requirements

- One presentation Case Study 15%
- Presentation participation and bullet-point preparation 10%
- Mid-Trimester Test 15%
- Final test 60%.

### Quality Assurance 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.

## Presentations & Group discussions

Group discussions will be held during lecture times on a topic to be advised at least a week before the group discussions. Bullet-point solutions **will not** be required to be submitted in advance for group discussions.

The presentations will take the form of a case study where all students will be given the background material two weeks before the workshop. 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 case study will be presented by a group of 3 or 4 students.

The success of case study presentations largely depends on the 3 or 4 students getting together before the presentation to plan how it will be run. Whilst you will not be assessed as a team, it is likely that the quality of your presentation and the debate/discussion with the class will be enhanced by a demonstrably well planned/integrated presentation. This means that the presenters must devise means by which they can engage with others in the class to ensure all students not presenting have appropriate opportunities to contribute their own ideas to the workshop topics and the debate thereon.

Presentation teams and dates of the presentations will be determined in the first lecture.

The selected group of students will have approximately 15 minutes each to make their presentation. During and after the presentation, the other students in the class are expected to debate the case study with the presenting students. The presentations 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 lecturer in accordance with the parameters below.

No publication or otherwise of the suggested solutions to presentations will be given on *Blackboard* or distributed by lecturers. However, lecturers will ensure that the topics are covered adequately during the presentation and in the accompanying debate. Hence you will need to attend the classes at which presentations are made to ensure you can expand and/or clarify your understanding of the case study topic.

The mark for each presentation out of 15 will be discussed with the presenting students immediately following their presentations. If you are not satisfied with your mark you will need to complete the form at page 7 of this Course Outline and submit it to the Administrator.

### **Student assessment areas for presentations**

Students will be assessed according to the following criteria, with a mark given of 0, 1, 2, or 3 in each of the first three categories and 0, 1, 2, 3, 4, 5 or 6 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 in addressing the question(s)?***

- Flow of presentation is logical
- Time management, no more than 100 minutes (80-90 minutes presentation and questions plus up to 15 minutes for tutor evaluation with presenters)

**3. *Did the student speak on the topic 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 presenters, if appropriate, in giving answers

### **Presentation participation and bullet-point solutions**

Students (other than those presenting who do not need to prepare bullet-point solutions) are required to prepare a bullet-point solution and email them to the lecturer taking the class before Monday 12 noon on the day before the presentation. To assist in your learning of the presentation topic you should retain a copy of your bullet-point solution for use at the presentation.

You will be emailed by the lecturer following the class should your bullet-point solution and/or participation in the class discussion was inadequate.

During the week beginning 10 October 2011, you will receive either 10 marks or 0 marks which will be emailed to you based on your oral participation and the bullet-point solutions you submitted for the four presentations in which you were not presenting. Should you have any problems with your mark you must contact the Course Coordinator immediately by email.

### **Mandatory Course Requirements**

- Obtain at least 45% of the total marks available in the two tests
- Give one presentation

### **Class Representative**

A class representative will have been elected at the start of your course, and that person's name and contact details will be available to VUWSA, the Course Coordinator and to the class. The class representative provides a communication channel to liaise with the Course Coordinator on behalf of students.

### **Communication of Additional Information:**

Additional information or information changes for this course will be conveyed to students via *Blackboard* and email.

### **Use of Turnitin**

Student work provided for assessment in this course may be checked for academic integrity by the electronic search engine <http://www.turnitin.com>. Turnitin is an on-line plagiarism prevention tool which compares submitted work with a very large database of existing material. At the discretion of the Head of School, handwritten work may be copy-typed by the School and subject to checking by Turnitin. Turnitin will retain a copy of submitted materials on behalf of the University for detection of future plagiarism, but access to the full text of submissions will not be made available to any other party.

**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**

Find key dates, explanations of grades and other useful information at [www.victoria.ac.nz/home/study](http://www.victoria.ac.nz/home/study)

Find out about academic progress and restricted enrolment at <http://www.victoria.ac.nz/home/study/academic-progress.aspx>

The University's statutes and policies are available at [www.victoria.ac.nz/home/about/policy](http://www.victoria.ac.nz/home/about/policy), except qualification statutes, which are available via the Calendar webpage at <http://www.victoria.ac.nz/home/study/calendar.aspx> (See Section C).

Further information about the University's academic processes can be found on the website of the Assistant Vice-Chancellor (Academic) at [www.victoria.ac.nz/home/about\\_victoria/avcacademic/default.aspx](http://www.victoria.ac.nz/home/about_victoria/avcacademic/default.aspx)

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

[http://www.victoria.ac.nz/home/about\\_victoria/avcacademic/Publications.aspx](http://www.victoria.ac.nz/home/about_victoria/avcacademic/Publications.aspx)

#### **Faculty of Commerce and Administration Offices**

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

#### **Te Pūtahi Atawhai: Maori and Pacific Mentoring Programme**

[http://www.victoria.ac.nz/st\\_services/tpa/index.aspx](http://www.victoria.ac.nz/st_services/tpa/index.aspx)

