

School of Accounting and Commercial Law

**MMPA 510 AUDITING**

Trimester 3, 2012

**COURSE OUTLINE**

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

**Trimester Dates**

Monday 19 November 2012 – Thursday 28 February 2013.

**Withdrawal from Course**

1. Your fees will be refunded if you withdraw from this course on or before 30 November.
2. The standard last date for withdrawal from this course is 25 January.

After the last date stated in #2, students forced to withdraw by circumstances beyond their control 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**

**Tuesdays:** 5.40-8.30pm

**Venue:** GBLT3 (Government Building Lecture Theatre 3), Pipitea Campus

## **Course Delivery**

Throughout this course the application of theoretical knowledge and concepts of auditing and 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.

## **Group Work**

Students are expected to spend at least 30 hours for the preparation for workshop and group discussion.

## **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 |

## **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 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.

## **Readings**

Students will need to purchase the custom text that is required for this course, titled 'MMPA 510 Auditing Fundamentals' compiled by Tim Fairhall. This can be purchased from the Bookshop in Rutherford House, ISBN 978-1-12-155936-3.

The course lecturers will provide a Course Materials Book which contains readings and out of class work that is expected to be completed.

## Teaching Schedule

Week	Text readings pages	Topic	Lecturer
Week 1 19 November	1-46; 504-523; 737-759	What are assurance services? What is an audit?	Ainul Islam
Week 2 26 November	149-223; 231-242; 679-680;	The audit process: Evaluating the Client and Planning the audit (including analytical procedures) <b>Group discussion 1</b>	Ainul Islam
Week 3 3 December	224-230; 255-296; 653-674; 685-690;	Assessing Risk & Materiality (including special area of audit risk: Fraud and Related Parties) <b>Group discussion 2</b>	Ainul Islam
Week 4 10 December	297-363; 364-393; 677-678; 680-684;	Audit Evidence and Testing <b>Presentation 1</b>	Ainul Islam
Week 5 17 December	417-503; 674-676; 690-693; 694-712;	Completing the audit and the audit opinion <b>Presentation 2</b>	Ainul Islam
<b>MID-TRIMESTER BREAK (Saturday 22 December 2012 – Sunday 6 January 2013)</b>			
Week 6 7 January	Mid-Trimester Test (90 mins) – during normal class time		Ainul Islam
Week 7 14 January	47-106; 525-593; 713-736;	Corporate governance (and the contribution of auditing thereto) Professional ethics Independence Audit standards <b>Group discussion 3</b>	Tim Fairhall
Week 8 21 January	107-146;	Auditor liability	Tim Fairhall
Week 9 28 January		Public and private sector audits contrasted <b>Presentation 3</b>	Tim Fairhall
Week 10 4 February		Regulation of auditors Contemporary audit issues <b>Presentation 4</b>	Tim Fairhall
Week 11 11 February	595-649	Contemporary audit issues <b>Group discussion 4</b> <b>Presentation 5</b>	Tim Fairhall
Week 12 18 February		Final Test (120 mins) – TBC	Tim Fairhall

**\*\*Note that: on week 4, 5, 9, 10 & 11, presentations of Group A and B will be held in two different rooms. Group A will present their case in room GB117 at 4.00 pm and Group B will present their case in room GBLT3 at 7.00 pm.**

## Assessment

Mid-Trimester Test (90 mins; Open book)	15%
Workshop Presentations: <i>Individual Presentation</i>	15%
Workshop: Non-presenters' assessment <i>Participation and bullet-point preparation</i>	10%
Final Test (2 hours; Open book)	60%

### **Mid-Trimester Test**

The test will be a short answer written test during the normal class time in week six beginning 7 January 2013 covering material in the first five weeks of the course.

Marks will be posted on *Blackboard* along with the suggested solutions. If you are not satisfied with your mark after reviewing your paper against the suggested solutions you will need to complete the form at page 8 of this Course Outline and submit it to the Course Administrator.

### **Workshop Presentation**

Presentations will take the form of a case study where all students will be given the background material two weeks before the workshop. Case studies will focus on topics addressed in lectures and in the text, but they are also intended to bring multiple audit issues together in the context of an audit situation. The case study will be presented by a group of 3 or 4 students.

Presenting students will have 90 minutes (maximum) to allow sufficient debate on the topic(s). This will consist of up to 4 individual presentations and each student in the presentation team will be expected to present an aspect of the case. Individual presentations, including discussion, are expected to last 15-20 minutes (maximum). During the presentation, the other students in the class are expected to debate the case study with the presenting students. 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 case topics and the debate thereon.

The success of case study presentations largely depends on students getting together before the presentation and planning as to how it will be run. Hence, you should contact one another once the workshop lists are published. The success of the case study also depends on the quality the research you have carried out and your analysis of the situation. Whilst you will not be assessed as a team, your presentation skills and the debate/discussion with the class will also be put to the test.

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

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 8 of this Course Outline and submit it to the Course Administrator.

### **Workshop Participation and Bullet-point Solutions: Non-presenters**

Students (other than those presenting who do not need to prepare bullet-point solutions) are required to prepare a bullet-point solution (no more than 3-4 pages) and email them to the lecturer taking the class by Friday 12 noon of the week immediately preceding 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.

## ***Student Assessment Areas for Presentations and Participation***

### **1. Marks for Presenting Team**

Each team member can receive a possible 15 marks in total. That which lecturers will be looking for during the presentation can be found below.

Each presenting team member will be assessed on the quality of their individual presentation and discussion based on the following criteria:

(i) ***Strength of and support for positions taken (7 marks possible)***

This will be based on evidence of reasonable logic to support position(s) adopted or key issues identified from background material and evidence of having used the literature\* to support these positions with sound logic and must demonstrate a good understanding of the topic

(ii) ***Discussion leadership (5 marks possible)***

A structure or format that establishes the basis for meaningful class discussion (games, setting up opposing positions or debates or other innovative structures are encouraged); and that responses demonstrate an appropriate knowledge of the topic (the student could also involve other team members or references as appropriate to the situation)

(iii) ***Presentation issues (3 marks possible)***

On time, the presenter speaks clearly and does not rely on reading notes (reading your presentation from notes will result in a failing mark for your presentation) and the flow of the presentation.

\* The 'literature' referred to above could include references from peer-reviewed journals, professional journals, company material, your text, verified media reports (i.e., not Wikipedia, blogs or unsubstantiated sources), or a combination thereof.

Please have copies of your presentation material available to your lecturer at the end of your group presentation.

### **2. Marks for Non-Presenters: Workshop Participation and Bullet-point Solutions**

Non-presenters will be emailed by the lecturer following the class if their bullet-point solution and/or participation in the class discussion was inadequate.

Students will receive either 10 marks or 0 marks which will be based on their participation in the presentation discussion and the bullet-point solutions they submitted for the workshops in which they were not presenting. Should students have any problems with their marks, they must contact the Course Coordinator immediately by email.

### ***Group Discussions***

Four group discussions will be held during lecture times on a topic to be advised at least a week before the group discussions. Students need to prepare a bullet-point summary on the topic to be discussed but **will not** be required to be submitted in advance for group discussions. These do not carry a mark.

### ***Final Test***

The Final Test will be a short answer written test during week beginning 18 February 2013 covering material in the entire course. The normal class time on 19 February may be used for course revision, depending upon the demand from the class at that time.

Suggested solutions will be posted on *Blackboard*. If you are not satisfied with your mark after reviewing your paper against the suggested solutions, make an appointment to discuss this with the lecturer.

## **Penalties**

If you fail to submit your bullet-point summary on time you are unlikely to be considered for the 10% mark.

## **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 submitted to Turnitin. A copy of submitted materials will be retained 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.

## **Mandatory Course Requirements**

In addition to obtaining an overall course mark of 50 or better, students must:

- Obtain at least 45% of the total marks available both in the test and exam *e.g.* if the test is out of 30 marks and the exam is out of 70 marks, you will need to get 45 of the 100 marks available.
- Give one presentation.

## **Class Representative**

A class representative will be elected in the first class, and that person's name and contact details made available to VUWSA, the course coordinator and 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 concerning this course will be provided in lectures and posted on Blackboard: <http://blackboard.vuw.ac.nz>. Urgent notices will be circulated by email.

## **Link to general information**

For general information about course-related matters, go to

<http://www.victoria.ac.nz/vbs/studenthelp/general-course-information>

## **Note to Students**

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 academic audit. The findings may be used to inform changes aimed at improving the quality of VBS programmes. All material used for such processes will be treated as confidential, and the outcome will not affect your grade for the course.

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