

School of Accounting and Commercial Law

ACCY 330 AUDITING

Trimester One 2013

COURSE OUTLINE

Names and Contact Details	Office	Telephone
<i>Course Coordinator & Lecturer:</i> Professor Karen Van Peurseem karen.vanpeurseem@vuw.ac.nz Office hours: TBA	RH 702	463 6314
<i>Lecturer:</i> Ainul Islam ainul.islam@vuw.ac.nz Office hours: TBA	RH 604	463 6107
<i>Course Administrator</i> Lucy May lucy.may@vuw.ac.nz Office hours: Monday-Friday, 8.30am-5pm (Note: Office closed 10.30am-10.45am and 3.30pm-3.45pm)	RH 708	463 5775

Please contact the Course Administrator regarding attendance or other inquiries of an administrative nature.

Introduction

Welcome! This course is designed to introduce you to the role and to the practice of audit, with a focus on external, financial statement audits. ACCY 330 Audit is approved as a professional auditing course in association with specified local and international accounting bodies.

Audit is a unique course within your accounting studies. While auditors should have a clear understanding of financial and management accounting, law and information systems, audit itself is much more than a technical practice. Auditors must apply their knowledge to assessing risk, gathering evidence, coming to a view and expressing opinions on which others will rely. Ultimately, they must decide as to the reliability of someone else's claim. The professional auditor must be both independent therefore as well as technically skilled. Audit is a professional study in its own right, demanding a high level of care and ethics because by providing assurance to others, the auditor acts on behalf of a wider public.

In this course we examine audit's purpose, the role of the auditor, and the pressures within which professionals operate. You will be introduced to the audit process and to some of the techniques that auditors use. You will apply principles of judgement, evidence and risk to practice situations. Audit is an exciting and important field. We look forward to working with you.

Trimester Dates

Teaching Period: Monday 4 March – Friday 7 June

Study Period: Monday 10 June – Thursday 13 June

Examination Period: Friday 14 June – Wednesday 3 July (inclusive)

Withdrawal from Course

1. Your fees will be refunded if you withdraw from this course on or before Friday 15 March 2013.
2. The standard last date for withdrawal from this course is Friday 17 May 2013. After this date, 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.

Lecture Times and Locations

Tuesdays & Thursdays 2.40 - 3.30pm

RHLT2, Rutherford House, Pipitea

Required Textbook

Van Peurse, KA, Pratt, MJ and Cordery, C (2011). *Auditing: Theory and Practice in New Zealand, 6th Edition (only)*. Pearson Education: Auckland.

Course Objectives:

By the end of the course you should be able to:

1. Explain and evaluate the purpose of auditing and the role of the auditor,
2. Evaluate and apply professional standards and professional ethics,
3. Apply professional judgement in the areas of materiality, risk assessment and audit evidence,
4. Apply audit concepts and theory to the practice of auditing in the business world.

Expected Workload

In addition to the course delivery hours (below), you would be expected to spend approximately 12 hours per week in reading and preparation.

Course Delivery

The course will be delivered through:

- Two 1-hour lectures for 12 weeks
- Four 2-hour workshops (see Course Timetable for scheduling)

Assessment Requirements

Test	25%
Workshop Presentations:	
- Group Mark	10%
- Individual Mark	9%
- Non-presenter marks	6%
Exam	<u>50%</u>
<i>Total assessment marks possible</i>	<u>100%</u>

Course Timetable

Week	Date	Chapter Topic*	Chapter and (pages) if less than full chapter	Assessment	Lecturer
1	4 March	Introduction to audit	1		KVP
2	11 March	Audit concepts and standards	3		KVP
		Role and history of audit	4 (46-49)		
3	18 March	Role and history of audit	4 (56-63)		KVP
		Statutory law	5 (64-74)		
4	25 March	Profession and ethics	6		KVP
<i>Easter break: 28 Mar-3 April</i>					
5	1 April	Courts and legal liability	7 (98-113)	TEST (TBC)	KVP
		Audit Risk	8 (118-123)		
6	8 April	Audit Risk	8 (128-132)		KVP
		Audit Judgement & Materiality	9 (139-147)		
7	15 April	Audit Evidence & Testing	10		KVP
		Audit Sampling	17 (265-269)		
<i>Mid-Trimester Break: 22-26 April</i>					
8	29 April	Audit Process: An Overview	11	Workshop 1	AI
9	6 May	Principles of internal control	13	Workshop 2	AI
		Internal control and the auditor	14		
10	13 May	Specific analytical procedures	16	Workshop 3	AI
11	20 May	Audit firms...	19	Workshop 4	AI
12	27 May	Completion and review	24		AI
13	3 June	Communication: Audit report/opinion	25		AI
				EXAM (TBC)	

Lecturer Codes: KVP = Professor Karen Van Peursesem AI = Dr Ainul Islam

*All readings, including recommended readings, are from your textbook or CD found within the textbook. You are expected to prepare by reading the designated chapter(s) ahead of the lectures for that week.

WARNING: Due dates, times and conditions are firm. Extensions are not offered. Special consideration requests will be received and considered should significant, unanticipated circumstances beyond your control prevent you from completing an assessment on time. No outcome is guaranteed. If you believe that timely completion of a course requirements is impeded by such a circumstance (e.g. injury, bereavement of a close relative), you should contact your tutor or the Course Coordinator by email as soon as you become aware of the situation. You will ultimately be required to provide explanation supported by independent, relevant evidence for your request to be considered. You should make every reasonable attempt to complete/attend the assessment at the due date/time as your efforts to do so will be part of the consideration. If you anticipate such a problem, do not delay in notifying us about it.

Test

The test will be a short answer and/or multiple choice assessment at the end of week five covering material from the first five weeks of the course. Time and location is TBC.

Marks will be posted on *Blackboard* within three (3) weeks of or less. Suggested solutions will be made available for visual review only in the manner to be described in-class. 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 9 of this Course Outline and submit it to the Course Administrator.

NB: There is a high bar for granting considerations to students who miss the test. See 'Warning'.

Workshops

The workshops will take the form of presentations and discussions around case studies. There will be four workshops of two hours each, and four case studies in total. Case studies will focus on topics addressed in lecture and in the text, but they are also intended to bring multiple audit issues together in the context of an audit situation. Each workshop, and case study, will be presented by a group of (usually) 4 'presenting' students.

The success of your case study presentations largely depends on the quality of your preparation. Your research efforts, logic and presentation skills will all be put to the test

You should plan meetings, review the topic, come to some initial views, meet again with your team, conduct research, and plan your presentations. Hence, we recommend that you **contact one another as soon as 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.

Focus topics for each of the four workshops will be, respectively:

Workshop focus topics:	Additional suggested readings:
1. Audit Planning	All of chapters 8 and 9
2. Audit process	Chapter 12, perhaps chapters 24-25 ahead
3. Auditing systems and controls	Chapter 18, CAATs in the Classroom on IC
4. Audit testing	Chapters 20-23

Presenting students will have 90 minutes (maximum) available for their presentations and discussions. This will consist of 4 individual presentations and a group presentation as set out below. Each student in the presentation team will be expected to:

- Individually present on one aspect of the case. Individual presentations, including discussion, are expected to last 15 minutes (20 minutes maximum). This time should include at least 5 minutes of class interaction; *and*
- Contribute to the group presentation. The group presentation can be at the beginning, or at the end, or both, but should be 20-25 (maximum) in total including class interaction.

Non-presenting students in the workshop are expected to prepare for discussion (see below on bullet-point analyses) *and* to be present for the entire workshop.

Marks for Presenting Team

Each team member can receive a possible 19 marks in total, consisting of:

- (a) 10 marks possible for your team as a whole (Group Mark); *and*
- (b) 9 marks possible for your individual contribution (Individual Presentation)

That which tutors will be looking for within each of these categories can be found below.

(a) **Group Mark** (10 marks possible):

All students in a group will receive the same group mark, which will be based on the following criteria:

1. *Structure of the presentation* (3 marks possible)
 - Material is presented in a reasonable order overall and within the group presentation
 - Time management (you keep to time specified above)
 - All group members participate, and reasonably equally
2. *Quality of content* (7 marks possible in total, marks possible for each in parenthesis)
 - Presentation materials are of a good quality and clear (1)
 - Strength of positions taken (2)
 - Evidence of relevant and in-depth research behind your analysis. You should go outside the basic readings for this, e.g. to reliable data on the company, refereed journals, verified media reports, optional chapters, New Zealand law, or other relevant and reliable outside sources. (2)
 - A format that establishes the basis for meaningful class discussion (games, debates or other innovative structures are encouraged) (2)

(b) **Individual Presentation** (9 marks possible)

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

1. *Strength of and support for positions taken* (4 marks possible)

This will be based on evidence of reasonable logic to support position(s) adopted, and evidence of having used the literature (see (a)2) to support these positions

2. *Discussion leadership* (2 marks possible)

Responses clear and demonstrate an appropriate knowledge of the topic (the student could also involve other team members or references as appropriate to the situation)

3. *Presentation issues* (3 marks possible)

On time and present throughout the entire workshop, that the presenter speaks clearly and that the student does not rely on reading notes (reading your presentation from notes will result in a failing mark for your presentation)

Please submit copies of your presentation material (hard copies) to your tutor at the end of the workshop so that they can review it for purposes of setting a mark.

NB: If a student is absent for their workshop, it will be assumed that they contributed neither to the materials nor to the presentation and will receive no mark for this assessment. See further information below on 'Missing an assessment'.

Marks for Non-Presenters

Non-presenting students are required to prepare a 2-3 page bullet-point solution to the case being presented that week and bring it to the workshop with them. Each student will receive up to 2 marks for each of the 3 workshops in which they are non-presenters: one (1) mark if they are there throughout the entire workshop *and* one (1) mark if they brought with them a reasonable (hard copy) bullet-point solution.

NB: 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) that relevant topics are covered adequately during the presentation and in the accompanying debate. Hence you will need to attend the workshop to benefit from the presentation and discussion.

Administration of workshop marks

Missing an Assessment

Should you be unable to attend a workshop in which you are **not part of the presenting team** for unanticipated reasons beyond your control, requests for consideration can be managed by your tutor. You should contact them within one week of the workshop and be prepared to offer evidence as to the reason for your absence and as to the effort you made on the assignment. *Late workshop assignments will NOT be accepted.*

Should you be unable to attend a workshop in which you **are part of the presenting team** for unanticipated reasons beyond your control, you should apply for consideration by completing the form at page 9 of this Course Outline and submitting it to the Administrator. Please note that workshop presentation is a mandatory element of this course.

NB: There is a high bar for granting considerations for missing workshops (see 'Warning' page 3). You should understand that full credit is unlikely under any circumstance should you miss a workshop, as your participation is fundamental to the learning process and to the mark.

Questions on Assessment Marks

All questions regarding workshop marks should be addressed, in the first instance, to your tutor within one week of the event or assessment. If still not satisfied you will need to complete the form at page 9 of this Course Outline and submit it to the Administrator.

Marks for the workshop presentation (participation team only) will be made available to you from your tutor within two weeks following the workshop. Should you have any problem with these marks you must contact your tutor before the next workshop or by 24 May 2013 in the case of the last workshop. If still not satisfied you will need to complete the form at page 9 of this Course Outline and submit it to the Course Administrator.

We will attempt to post all workshop marks on Blackboard by the week of 3 June 2013. Any problems at that point should be addressed to the Course Coordinator immediately by email.

Examination

The 2-hour closed-book, comprehensive exam can cover any element of the course, with some emphasis on weeks 5-13 of material.

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 final examination for this course will be scheduled at some time during the following period:

14 June – 3 July 2013 (inclusive)

Mandatory Course Requirements

- Obtain at least 45% of the total marks available 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 workshop 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

Any additional information will be communicated in lecture or on Blackboard.

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.

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.

Detailed Tutorial 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.

Finally, unless there are special circumstances and you have made alternative arrangement through the course coordinator, **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 and you may therefore fail the mandatory course requirements.

