TE WHARE WĀNANGA O TE ŪPOKO O TE IKA A MĀUI

VICTORIA
UNIVERSITY OF WELLINGTON

School of Accounting and Commercial Law

ACCY 330 AUDITING

Trimester Two 2014

COURSE OUTLINE

Names and Contact Details		**Office**	**Telephone**
Course Coordinator & Lecturer:	Ainul Islam ainul.islam@vuw.ac.nz Office hours: TBA	RH 604	463 6107
Lecturer:	Professor Al Ghosh aloke.ghosh@vuw.ac.nz Office hours: TBA	RH618	463 5779
Workshop Coordinator	Kathleen Makale Kathleen.makale@vuw.ac.nz Office hours: TBA	RH 713	463 5233 extn 8547
Course Administrator	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.

Trimester Dates

Teaching Period: Monday 14 July – Friday 17 October
Study Period: Monday 20 October – Thursday 23 October
Examination Period: Friday 24 October – Saturday 15 November (inclusive)

Withdrawal from Course

1. Your fees will be refunded if you withdraw from this course on or before Friday 25 July 2014.
2. The standard last date for withdrawal from this course is Friday 26 September 2014. 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

Monday: Stream A: 8.30 -   9.20 RHLT2; Rutherford House, Pipitea
                     Stream B: 13.40 - 14.30 RHLT2, Rutherford House, Pipitea
Wednesday: Stream A: 8.30 - 9.20 RHLT2; Rutherford House, Pipitea
                     Stream B: 13.40 - 14:30 RHLT2, Rutherford House, Pipitea

Course Delivery

Throughout this course the application of theoretical knowledge and concepts of auditing and International Standards on Auditing (ISA-NZ) and Professional & Ethical Standards (PES) available at www.xrb.govt.nz will be applied to relevant auditing contexts.

The course will be delivered through:

- Two 1-hour lectures for 12 weeks
- Four 100 mins workshops (see Course Timetable for scheduling)

Expected Workload

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

Students are strongly advised to read the chapter material assigned *before* coming to lectures.

Prescription

Concepts and practice of auditing.

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, professional ethics and auditors' legal liability,
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.

Course Content

The lecture schedule is provided on page 9.

Required Textbook

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

The above text book can be purchased from the Bookshop in Rutherford House.

Mandatory Course Requirements

- Take the mid-trimester test.
- Give one workshop presentation

If you cannot complete an assignment or sit a test or examination, refer to
www.victoria.ac.nz/home/study/exams-and-assessments/aegrotat

Assessment Requirements

Assessment
From Trimester 1, 2014, a revised Assessment Handbook will apply to all Victoria courses: see
http://www.victoria.ac.nz/documents/policy/staff-policy/assessment-handbook.pdf.

In particular, there will be a new grade scheme, in which the A+ range will be 90-100% and 50-54% will be a C-.

Assessment Item	Specification	%	Date	Course Learning Objectives Covered
Mid-Trimester Test	90 mins; Closed book	25%	Friday 8 August at 5.40pm (RHLT 1 & 2)	(1) & (2)
Workshop Presentations	Individual Presentation	19%	Weeks 7, 8, 10, 12	(1), (2), (3), & (4)
Workshop: Non-presenters' assessment	Participation and bullet-point preparation	6%	Weeks 7, 8, 10, 12	(1), (2), (3), & (4)
Final Examination	2 hours; Closed book	50%	TBA (see 'examinations' below)	(2), (3) & (4)

Each of these assessments is discussed below and on the following pages.

Test
The test will be a combination of short answer questions and/or multiple choice questions. The test is schedule in the fourth week of the course and will cover material delivered in the first three weeks **and** material covered in the first lecture of the week four of the course.

NB: the test is a mandatory part of this course.

Marks will be posted on *Blackboard* within three (3) weeks of the test date. Suggested solutions will be made available in the manner to be described in-class.

Workshops
The workshops will take the form of presentations and discussions around audit cases. Cases will be posted on Blackboard by the end of Week 2 of the course. There will be four workshops of 100 mins each, in which all students are expected to attend and participate, and four case studies in total. Each student will be assigned to an individual case by the Course Administrator. Case studies focus on topics addressed in lecture and in the text, but they also bring multiple audit issues together in the context of a particular audit situation. Each workshop, and case, will be presented by a group of (usually) 4 'presenting' students.

Presenting students will have 18-20minutes (maximum) for their individual presentations and this includes allowing for sufficient time for debate on the topic(s). Each student in the presentation team will be expected to present an aspect of the case, and coordinate their aspect with the other presentations. During the presentation, the other students in the class are expected to participate and 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. Students' research efforts, logic and presentation skills will all be put to the test in these audit-like cases.

The success of case study presentations largely depends on the presenting students getting together before the presentation and planning as to how it will be run. Hence, the presenting students should contact one another once the workshop lists are published. The success of the case study also depends on the quality of the research you have carried out and your analysis of the situation. In other words, success largely depends on the quality of your preparation, how well students apply audit principles and practices to their particular situation, and how students lead and manage class discussion. Whilst students will not be assessed as a team, their presentation skills and the debate/discussion with the class will be assessed. *Please do not contact anyone external to the university about the case directly, as with no ethical approval, it cannot be authorised.* So please make sure that all research should be conducted from publicly-available sources.

We recommend that students should **contact others in their team as soon as the workshop lists are published on *Blackboard*,** using the standard VUW student email addresses[1]. At their initial meeting, we suggest that students should go over the topic, come to initial views, plan the presentation and schedule future meetings. Before their second meeting, we recommend that each student should research their individual case, prepare their presentation and develop some ideas about the group project. Follow-up meetings can be used to refine presentation details and address remaining questions about the material.

Non-presenting students should prepare for discussion in the manner set out later in this outline.

Assessment Area and Marks for Presenting Team
Each team member can receive a maximum 19 marks. Please submit hard copies of your (usually PowerPoint slides) presentation material to the tutor at the end of the workshop so that they can review it to set a mark.

Each presenting team member will be assessed on the quality of their individual presentation and discussion/debate with non-presenters based on the following criteria:

(i) *Strength of and support for positions taken (9 marks possible)*
Evidence of relevant and in-depth research applied to your specific case. 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. Therefore, you should go outside the basic readings for this, e.g. to data on the company, refereed journals, media reports, optional chapters, New Zealand law, and/or other relevant sources.

(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 presenting student could also involve other team members to assist with the discussion/debate with non-presenters).

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[1] If you do not use this email address, then create a 'divert' within VUW email to your preferred email address.

(iii) *Delivery (3 marks possible)*

The presenter speaks clearly and expressively with a varied rate of delivery. They pitch the presentation at an appropriate level and demonstrate the interpersonal skills required communicating effectively regarding technical matters. ***Do not rely on reading notes*** (reading your presentation from notes will result in a failing mark for your presentation).

(iv) *Transition and conclusion (2 marks possible)*

The presentation materials need to be in order and developed using a clear logical structure. It must demonstrate that the presenter worked cohesively with the other members of the group and must demonstrate a smooth transition between the group members and finally should finish the presentation on time (stated time limit) with a satisfactory conclusion.

* 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.

Workshop Participation and Bullet-point Solutions: Non-presenters

Students (other than those presenting) are required to prepare 3-4 pages (hard copy) of bullet-point solutions to the case being presented that week. To assist in learning the presentation topic, students should bring the copy of their bullet-point solutions with them to the workshop for use at the presentation.

Assessment and Marks for Non-Presenters

Each student can receive up to 2 marks for each of the 3 workshops in which they are non-presenters for a total possible 6 marks. Assessment criterion follows:

(a) Each bullet-point solution (*hard copy only*!) should be shown to the tutor at the beginning of the workshop where it will be marked for substantial completion of all topics for that week *and* timely submission (maximum 1 mark).

(b) Students should make notes on issues raised during the workshop in the margins of their bullet-point solutions and write out one (1) or two (2) key points they learned from the workshop. At the end of the workshop, when requested by the tutor, students should submit the bullet-point solutions (including in-workshop notes) to the tutor. The mark will be based on relevant issue(s) added and timely submission (maximum 1 mark).

Caution! "Timely submission" for this (non-presenter) assignment means that, for full credit, students must submit part (a) in person at the beginning and part (b) also in person at the end of their own assigned workshop. There is no credit for attending any workshop other than their own due to capacity restrictions. If someone submits the bullet-point solutions on someone else's behalf the 'Late submission' rules (below) will apply.

Late submissions of the non-presenter assignment receive a maximum of ½ mark (of the 2 possible). Late submissions should be given to the Course Administrator (Ms Lucy May) or to the tutor within 1 week of the due date. Please be sure to head any late bullet-point solutions of the workshop case (printed copy only) with student's full name; tutorial #, day and time; tutor name and workshop #. Anyone seeking a 'special consideration' should refer to policies set out later in this outline.

Administration of workshop marks

Due to the varied directions that workshop discussions may take, and material that may emerge from the workshop discourse, *no* publication or otherwise of suggested solutions to workshops

will be given on Blackboard or distributed by tutors. However, tutors will ensure (based on guidance notes available to them) that relevant topics are adequately covered during the presentation and in accompanying discussions. Hence students must attend the workshop to benefit from the presentation and discussion. The course co-ordinator and lecturer are available during our office hours for any follow-up questions you might have.

All questions regarding workshop marks should be addressed, in the first instance, to the respective tutor within one week of the event or assessment.

Marks for the workshop presentation (participation team only) will be made available to students from the tutor within two weeks following the workshop. Should students have any problem with these marks they must contact respective tutor before the next workshop or by 15 October 2014 in the case of the last workshop.

Final Examination
The 2-hour closed-book, comprehensive exam can cover any element of the course, with some emphasis on material covered in weeks 4-12.

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:

Friday 24 October – Saturday 15 November (inclusive)

Penalties
- *Bullet Point Solutions*
  Late submissions of the non-presenter bullet-point solutions receive a maximum of ½ mark (of the 2 possible).

- *Test & Presentation*
  Unjustifiable absence from the test and/or individual presentation will result in a mark of 'zero' for that test & presentation and may result in a student not meeting mandatory course requirements.

Special consideration requests can be received and considered for all internal assessments. Significant, unanticipated circumstances beyond a student's control that prevent a student from completing an assessment on time would be the type of situation for which a consideration may be appropriate. Please be aware however that no outcome is guaranteed for those who apply, and that even if accepted, or partially accepted, a student would probably have to do some sort of make-up activity. There is a high bar for missing the test or individual workshop presentation.

Nonetheless, if students believe that timely completion of a course requirement is impeded by such a circumstance (e.g. injury or illness, bereavement of a close relative), students should contact the tutor or the Course Coordinator by email as soon as they become aware of the situation. Students will ultimately be expected to provide explanation supported by independent, relevant evidence for their request to be considered. Students should make every reasonable attempt to complete/attend the assessment by the due date/time as his/her efforts to do so will be part of the consideration. If any students anticipate such a problem, he/she should not delay in notifying the tutor or the Course Coordinator about it.

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.

Student feedback

Student feedback on University courses may be found at
www.cad.vuw.ac.nz/feedback/feedback_display.php

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 Workshop (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.

Course Timetable

Week & Date	Chapter Topic*	Chapters & pages (if less than full chapter)	Workshops	Lecturer
Week 1 14 July	Introduction to audit	1		AI
16 July	Audit concepts and standards	3		AG
Week 2 21 July	Statutory law and the structure of the procession	5 (pp.64-74) & Additional Material		AG
23 July	Ethics, Independence and corporate governance	6		AG
Week 3 28 July	Legal liability of auditors	7		AG
30 July	Legal liability of auditors	7		AG
Week 4 4 August	Audit Risk	8		AG
6 August	Audit Judgement & materiality	9		AG
Mid-Trimester Test (90 mins) - Friday 8 August at 5.40pm (RHLT 1 & 2)				
Week 5 11August	Audit evidence	10		AG
13 August	Audit testing - An introduction	10		AG
Week 6 18August	Audit Process: An Overview and Evaluating the Client	11		AG
20 August	Audit Cases			AG
Mid-Trimester Break (Monday 25 August – Sunday 7 September)				
Week 7 8 Sept	Audit planning (including an overview of analytical procedures)	12 & 16	*Workshop 1 (in Week 7)*	AI
10 Sept	Principles of internal control	13 &14 (219-225)		AI
Week 8 15 Sept	Audit Sampling	17	*Workshop 2 (in Week 8)*	AI
17 Sept	Audit tests of transactions & balances – Cash receipts & payment and Cash balance	21 &23		AI
Week 9 22 Sept	Audit tests of transactions & balances – Sales and Account receivable.	20		AI
24 Sept	Audit tests of transactions & balances – Inventory and fixed assets	22 &23		AI
Week 10 29 Sept	Audit firms	19	*Workshop 3 (in Week 10)*	AI
1 Oct	Audit firms	19		AI
Week 11 6 Oct	Completion and Review	24		AI
8 Oct	Completion and Review	24		AI
Week 12 13 Oct	Audit Report and Opinion	25	*Workshop 4 (in Week 12)*	AI
15 Oct	Audit Report and Opinion	25		AI

Lecturer Codes: AG = Professor Al Ghosh; AI = Dr Ainul Islam; *Readings are chapters from your textbook. You are strongly advised to read chapters for each week ahead of the relevant lecture.