

School of Accounting and Commercial Law

MMPA 510 AUDITING

Trimester 2, 2015

COURSE OUTLINE

Names and Contact Details	Office	Telephone
<i>Course Coordinator & Lecturer</i> Ainul Islam ainul.islam@vuw.ac.nz Office hours: TBA	RH 604	463 6107
<i>Course Administrator</i> Rebekah Sage rebekah.sage@vuw.ac.nz Office hours: Monday-Friday, 8.30 am-5.00 pm	RH 728	463 6921

Trimester Dates

Teaching Period: Monday 13th July – Friday 16th October

Study Period: Monday 19th October – Thursday 22nd October

Examination Period: Friday 23rd October – Saturday 14th November (inclusive)

Withdrawal from Course

1. Your fees will be refunded if you withdraw from this course on or before Friday 24th July 2015.
2. The standard last date for withdrawal from this course is Friday 25th September. 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*’ form including supporting documentation. The application form is available from either of the Faculty’s Student Customer Service Desks or [online](#).

Class Times and Room Numbers

Wednesday: 12.40-3.30 pm*

Venue: RH LT 3 (Rutherford House Lecture Theatre 3), Pipitea Campus

* Some presentations will also take place on Wednesdays (in weeks 6, 9, 11, & 12) between 3.40-5.30 pm in RWW 129

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 12 three-hour classes involving lectures, class discussions, workshops centred on student presentations of topical audit issues and a test.

Group Work

Students must present a case study in groups during one of the workshops. Students are expected to spend at least 30 hours in preparation for workshops and the various class discussions that will be held from time to time during lectures.

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 | 30 hours |
| • Presentations by students in a workshop | 10 hours |
| • Text readings prior to the lectures | 30 hours |
| • Preparation for class discussions | 10 hours |
| • Preparation for workshop presentations | 10 hours |
| • Study for the test and the final exam | 50 hours |
| • Keeping up to date with business and audit news | 10 hours |

Prescription

The corporate governance role of external auditing in financial markets, including professional, ethical and technical requirements, and current auditing 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, business understanding, independent evidence and risk mitigation;
- Recognise the choices available and the judgments necessary in reporting on financial statements; and
- Recognise differences in emphasis between auditing in the public and private sectors in New Zealand.

Course Content

The Lecture Schedule is provided on the last page of this course outline.

Readings

Arens, A.A, Best, P, Shailer, G, Fiedler, B, Elder, R and Beasley, M (2013). 'Auditing, Assurance Services & Ethics in Australia – *An Integrated Approach*' (9th edition). Pearson Australia. ISBN 978-1-44-2539365.

Materials and Equipment

Only silent non-programmable calculators or silent programmable calculators with their memories cleared are permitted in the mid-trimester test and the exam.

Assessment

Assessment Handbook will apply to all Victoria courses: see

<http://www.victoria.ac.nz/documents/policy/staff-policy/assessment-handbook.pdf>.

The final grade awarded for this course will be determined on the following basis:

Assessment Item	%	Date	CLO Covered
Mid-Trimester Test (90 minutes; Closed Book)	25%	12.40 pm Wed 9 September (RHLT 3)	(b), (c), (d) & (e)
Workshop Presentations – Individual Presentation	16%	Weeks 6, 9, 11, 12	(a), (b), (c), (d) & (e)
Workshop: Non-presenters' – Participation – Bullet-point solution	9%	Weeks 6, 9, 11, 12 By 12 noon on Mon of weeks 6, 9, 11, 12	(a), (b), (c), (d) & (e)
Final Examination (2 hours; Closed Book)	50%	During the exam period	(b), (c), (d) & (e)

Mid-Trimester Test

The test will be a combination of problems, short answer questions and/or multiple choice questions. The test is scheduled during the normal class time in the seventh week of the course and will cover material delivered in the first five weeks of the course.

Marks will be posted on Blackboard within three (3) weeks of the test date.

Workshop

The workshops will take the form of presentations and discussions around audit cases. All students will be given the background material relating to the audit cases two weeks before the workshop. There will be four case-based workshops, in which all students are expected to attend and participate. 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 'presenting' students.

Presenting Team

Presenting students will have 60 minutes (maximum) to allow sufficient time for the individual presentations (15 minutes each) and 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.

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. 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 you apply audit principles and practices

to your particular situation, and how you lead and manage student discussion. You will not be assessed as a team, your presentation skills and the debate/discussion with the class will be assessed.

Presentation teams and dates for your presentations will be published on Blackboard in Week 3.

No publication or otherwise of the suggested solutions to presentations will be given on Blackboard or distributed by the lecturer. However, the lecturer will ensure that the topics are covered adequately during the presentation and in the accompanying debate. Note that 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 will be discussed with the presenting students immediately following their presentations.

Assessment Area and Marks for Presenting Team

Each team member can receive a maximum 16 marks in total. Submit hard copies of your (usually PowerPoint slides) presentation material to the Lecturer 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 (8 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 (4 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).

(iii) ***Delivery (2 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 to communicate effectively on the technical matters involved in the case. ***Do not rely on reading notes*** (reading your presentation from notes will result in a failing mark for your presentation).

Transition and conclusion (2 marks possible)

The presentation materials need to be in order and developed using a clear logical structure. The overall presentation must demonstrate that the presenter worked cohesively with the other members of the group, must demonstrate a smooth transition between each group member, and finally should finish 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.

Non-Presenter

Workshop 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 (no more than 3-4 pages) and submit the hardcopy into the 'assignment box' on Mezzanine floor by **Monday 12 noon** of the week of the presentation. To assist in your learning of the presentation topic you should bring a copy of your bullet-point solution to the workshop for use at the presentation.

Assessment and Marks for Non-Presenters

Each student can receive up to 3 marks for each of the 3 workshops in which they are non-presenters for a total possible 9 marks. Assessment criterion follows:

- (a) Each bullet-point solution must be submitted before each workshop. Lecturer will review them to ensure students have made a reasonable attempt at substantial completion of all topics for that week *and* timely submission (maximum 2 marks).
- (b) Students will receive either 1 mark or 0 marks, based on their participation in the discussion during the workshops in which they were not presenting (maximum 1 mark).

Should students have any problems with their marks following their publication after the final presentation, they must contact the Course Coordinator immediately.

Group Discussions

Up to three 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 this will not be required to be submitted in advance for group discussions. Group discussions are not part of your course mark.

Final Examination

The two hour closed book final exam is comprehensive and can cover any elements of the courses with some emphasis on material covered in week 6-12.

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 23rd October – Saturday 14th November (inclusive)

Penalties

• *Bullet Point Solutions*

Bullet point solutions must be handed in on or before the due date and time. In fairness to other students, any bullet point solutions submitted after the deadline will not be marked.

An extension or waiver (with no penalty) will be considered on the grounds of exceptional personal circumstances. Students must complete the 'Assignment Extension/Waiver Application Form' available on Blackboard and submit the form (with the relevant supporting documentation) to MPA Administrator, preferably before the assignment due date.

Note: *The submission of an application does not mean that the extension has been approved. Penalties, as detailed above, will apply if the extension is not granted.*

- ***Test & Presentation***

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

Students unable to take scheduled tests due to exceptional circumstances, must complete the 'Consideration of Exceptional Personal Circumstances for Tests Application Form' available on Blackboard. Submit this form to MPA Administrator as early as possible, preferably before the test date.

Note: The submission of an application does not mean that the test requirement has been changed or waived. Penalties, as detailed above, will apply if it is not successful.

Exceptional Personal Circumstances include an impairment assessed by Disability Services, illness, bereavement, circumstances involving the health or wellbeing of a relative or close friend, compulsory attendance at court, national or international representative commitments, significant cultural commitments, or activities in which the student is representing the University.

*Note: Not being organised or failing to plan ahead are **not** exceptional circumstances.*

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.

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 mid-trimester test and exam *e.g.* if the mid-trimester 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.

Any student who is concerned that they have been (or might be) unable to meet any of the MCRs because of exceptional personal circumstances, should contact the course coordinator as soon as possible.

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

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.

Student feedback

Any feedback is considered and followed up on.

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.

Lecture Schedule

Week/Date	Text readings pages	Topic
Week 1 15 Jul	Chapter 1 (pp. 3-18)	Introduction and Overview of Audit and Assurance
Week 2 22 Jul	Chapter 2 (pp. 39-64) Chapter 3 (pp.73-99)	Auditor's Legal Liability Audit Quality Professional Ethics & Independence
Week 3 29 Jul	Chapter 4 (pp. 108-132) Chapter 5 (pp. 142-165) Chapter 6 (pp. 183-191)	Auditor Responsibilities and Audit Objectives Audit Evidence Client Acceptance & Continuance Decision <i>Class Discussion 1</i>
Week 4 5 Aug	Chapter 6 (pp. 191-198) Chapter 7 (pp. 221-247) Chapter 9 (pp. 305-332)	Understanding the Business & Industry (including preliminary analytical procedures) Materiality & Risk Assessment (including special area of Fraud & Related Parties) <i>Class Discussion 2</i>
Week 5 12 Aug	Chapter 8 (pp. 263-292) Chapter 11 (pp. 386-411) Chapter 12 (pp. 424-447)	Gaining an Understanding of the Client's Internal Controls and Assessing Control Risk Overall Audit Plan and Audit Program Execution of Audit – Test of Control
Week 6 19 Aug		<i>Group Presentation 1</i>
Mid-Trimester Break (Monday 24 August – Sunday 6 September)		
Week 7 9 Sep	Mid-Trimester Test (90 minutes) – During Normal Class Time	
	Chapter 6 (pp. 199-209) Chapter 14 (pp. 497-538)	Audit Sampling and Audit Documentation
Week 8 16 Sep	Chapter 13 (pp. 463-485) Chapter 15 (pp. 574-591) Chapter 16 (pp. 629-653)	Performing Substantive Procedures Substantive Testing – Balance Sheet Accounts Substantive Testing –Income Statements Accounts
Week 9 23 Sep		<i>Group Presentation 2</i>
Week 10 30 Sep	Chapter 17 (pp. 679-700) Chapter 18 (pp. 710-729) Readings: Upcoming Changes to Auditor's Report and Standards	Completing the Audit and Audit Report and Opinion <i>Class Discussion 3</i>
Week 11 7 October		<i>Group Presentation 3</i>
Week 12 14 Oct	Chapter 19 (pp.764-769; 773-778)	Public and Private Sector Audits Contrast <i>Group Presentation 4</i>
