

Course Outline 2017
ACCTG 714 CONTEMPORARY AUDITING RESEARCH
(15 POINTS)

Semester 2 (1175)

Course Prescription

An examination of the theoretical and empirical literature relating to the demand and supply of auditing, theoretical support for auditing activity, measures of audit quality and related topics.

Goals of the Course

The goals of the course are to familiarize students with issues that are of current concern to auditors and stakeholders affected by auditing, and with current research in auditing. Students are encouraged to make links between current issues and research.

Learning Outcomes

- Demonstrate expertise in identifying current audit issues and the related professional problems;
- Be able to read and critically evaluate auditing research
- Be able to evaluate the results of current research concerning practical problems and show to what extent they deal with the professional issues

Content Outline

| <i>Week</i> | <i>Topic</i> |
|-------------|---|
| 1 | The Market for Audit Services |
| 2 | Economics of Auditing |
| 3 | Audit Quality and Auditor Choice |
| 4 | Auditor Judgment |
| 5 | Auditor Independence |
| 6 | Audit Committees and Corporate Governance |
| 7 | Internal Control |
| 8 | Auditor Specialisation and Fees |
| 9 | Audit Reports |
| 10 | Current issues |

Learning and Teaching

There will be one three-hour seminar class each week (except where classes have been rescheduled). The seminar format used in this class will include presentations by the lecturers, reports on exercises by students, and commentaries and presentations by students. Students will be assigned as coordinators to each class session. The student coordinators will be required to make a presentation on one or more of the assigned readings and distribute a one page outline.

Academic Staff

Prof. W. Robert Knechel

Room tba, Owen G Glenn Building, email r.knechel@auckland.ac.nz

Prof. David Hay (Course coordinator)

Room 553, Owen G Glenn Building, email d.hay@auckland.ac.nz

Learning Resources

A list of readings will be provided. Readings will be made available on Cecil before class, and must be read in advance to allow you to take part in discussion.

Assessment

You are required to complete assigned presentations, a short research review that links to current audit issues, and an examination.

| <i>Assessment</i> | <i>Learning outcomes</i> | <i>Weighting</i> | <i>Due</i> |
|-----------------------|--------------------------|------------------|-------------------------|
| Presentations | 1, 2, 3 | 25% | Throughout the semester |
| Class participation | 1, 2, 3 | 5% | Throughout the semester |
| Short research review | 1, 2, 3 | 30% | End of week 10 |
| Examination | 1, 2, 3 | 40% | To be announced |

Research Paper Presentations

The research paper presentations will be done in groups of two. When reviewing and preparing a discussion and presentation of a research paper, you should be prepared to address the following issues:

1. What is the research question being addressed by the study?
2. Why is the question interesting or important to the profession?
3. What are the hypotheses or expectations of the authors?
4. What is the general approach taken for examining the research question?
5. What is the source of the data used in the study?
6. What were the key findings of the study?
7. What are the implications of the study for the profession?
8. What are the limitations/weaknesses/caveats of the study?
9. What are the main "takeaways" of the study? How do these takeaways tie into the rest of the studies assigned, both in the current class and past class sessions?

Note: Some of the papers you have been assigned are quite complex. Do not worry if you do not quite understand all of the statistical and methodological issues raised in the paper. Stick to the "big picture" and emphasize what we learn from the paper.

You are required to prepare a summary of the paper that you are presenting on and distribute it to the class. This should not be more than two pages, and may be an outline of your PowerPoint slides. Your PowerPoint slides should also be submitted to Professor Knechel and Professor Hay and will be made available to the class through Cecil.

Class Participation

Marks will be awarded for thoughtful and well-prepared contribution to class discussion.

Short Research Review

Prepare a report which reviews research concerned with an auditing issue that interests you. This review should be based on research articles from academic journals. You should also refer to some unpublished papers from www.ssrn.com or academic conferences. A file listing the auditing papers published in eight major journals over a 30-year period is available through Cecil. You should include some recent research papers from www.ssrn.com or from research conferences.

Your review should cover:

To what extent does research deal with the issues identified by practitioners?

What are the findings of academic research? How has the research developed?

What research methods have been used, and what are their limitations?

This review should result in a summary table comparing research findings and an article of about 2,000 words (again very approximately, depending on the topic you choose). Write this review in a more formal, academic style. You are also required to make a brief presentation to the rest of the class.

Examination - Two hours (open book)

The examination will cover all of the material covered during the semester.

Programme and Course Advice

Prerequisite: You must be accepted into the postgraduate programme of the Department of Accounting and Finance as an Honours or Postgraduate Diploma student. Additional Information: The course is intended for B Com (Hons), P G Dip and M Com students with an interest in auditing and accounting. Completing ACCTG 312 Auditing or an equivalent course is strongly recommended.

Plagiarism

The University of Auckland will not tolerate cheating, or assisting others to cheat, and views cheating in coursework as a serious academic matter. The work that a student submits for grading must be the student's own work, reflecting his or her learning. Where work from other sources is used, it must be properly acknowledged and referenced. This requirement also applies to sources on the world-wide web. A student's assessed work may be reviewed against electronic source material using computerised detection mechanisms. Upon reasonable request, students may be required to provide an electronic version of their work for computerised review.

Inclusive Learning

Students are urged to discuss privately any impairment-related requirements face- to-face and/or in written form with the course convenor/lecturer and/or tutor.

Student Feedback

Feedback from students has been incorporated in this course to give it its emphasis on current professional issues. You may be asked to complete course and lecturer evaluations later in the course.