



# ACCG925

## Auditing and Assurance Services

S1 Day 2014

*Dept of Accounting & Corporate Governance*

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## General Information

Unit convenor and teaching staff

Lecturer

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E4A Level 2

Via email (also preferred contact method)

Unit Convenor

Kym Butcher

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Credit points

4

Prerequisites

(ACCG923 or ACCG862) and (admission to MAcc(Prof) or MAcc(CPA) or MAcc(Prof)MCom)

Corequisites

Co-badged status

Unit description

This is a unit in auditing and assurance services which examines the process of auditing and the concepts which underlay the practice. Although the focus of attention is on audits of financial reports undertaken in compliance with the Corporations Act 2001, reference is also made to other forms of audit and assurance. The unit is intended to provide an overview of the audit process as it exists in Australia, and is consistent with International Auditing Standards. Students will be required to exercise judgement in order to identify and assess risks of material misstatement, to develop audit procedures that respond to those risks, and to form an opinion on the financial report based on the audit evidence obtained. The unit is both practical and theoretical, with students required to apply their knowledge to discussing cases developed from practice. Students will also be exposed to current research and contemporary issues in auditing and assurance.

## Important Academic Dates

Information about important academic dates including deadlines for withdrawing from units are available at <https://www.mq.edu.au/study/calendar-of-dates>

## Learning Outcomes

On successful completion of this unit, you will be able to:

demonstrate an understanding of the overall audit function and the reasons for an audit.  
ability to critically analyse and apply the professional, legal, ethical and regulatory framework within which audits and other audit related and assurance engagements are carried out.

demonstrate an ability to examine the audit process and the techniques used by auditors including business risk analysis, internal controls assessment, evidence collection and evaluation, use of computer assisted audit techniques and audit reporting.

demonstrate an understanding of current developments in audit practice.

## Assessment Tasks

| Name                     | Weighting | Due                           |
|--------------------------|-----------|-------------------------------|
| <u>Quizzes</u>           | 10%       | Weeks 4 & 11                  |
| <u>Class Test</u>        | 20%       | Seminar Week 7                |
| <u>Case Study</u>        | 20%       | Week 10 seminar               |
| <u>Final Examination</u> | 50%       | University Examination Period |

### Quizzes

Due: **Weeks 4 & 11**

Weighting: **10%**

There will be two online quizzes each of 60 minutes duration. Both quizzes consist of 60 multiple choice questions and are worth 5% each. The tests are OPEN BOOK. i.e., ANY material is permissible.

Quiz 1 will be available online within the 36 hour period from 3pm Friday 28 March to 3pm Monday 31 March. Material covered includes lectures, tutorial questions and readings relating to seminars one to three inclusive.

Quiz 2 will be available online within the 36 hour period from 3pm to Friday 30 May to 3pm Monday 2 June. Material covered includes lectures, tutorial questions and readings relating to seminars four, five, six, eight and nine inclusive.

The aim of the quizzes is to provide you with ongoing feedback relating to your understanding and learning progress with regard to the key concepts of auditing. The format of the quizzes are multiple choice which will assist your understanding of the course material as well as assisting

with your final exam preparation.

**Submission:** The quizzes are online and can only be taken during the specified 36 hour time frame.

**Extensions and penalties:**

No extensions will be granted, i.e., there will be no supplementary quizzes. Students who do not attempt either quiz will be awarded a mark of zero for that quiz, except in cases in which an application for special consideration is made and approved. In this circumstance the final exam will be reweighted accordingly.

**Preparation:**

It is expected that preparation for each quiz will take between three and five hours. The best preparation for the quizzes is to (a) revise lecture slides, (b) re-read text chapters and (c) review and attempt multiple choice quizzes in the relevant text chapters. In addition completion of the Connect quizzes each week is another useful resource.

**Marking criteria and feedback:**

The tests will be marked automatically. Results and feedback will be available once the quiz closes.

On successful completion you will be able to:

- demonstrate an understanding of the overall audit function and the reasons for an audit.
- ability to critically analyse and apply the professional, legal, ethical and regulatory framework within which audits and other audit related and assurance engagements are carried out.
- demonstrate an ability to examine the audit process and the techniques used by auditors including business risk analysis, internal controls assessment, evidence collection and evaluation, use of computer assisted audit techniques and audit reporting.

## Class Test

**Due: Seminar Week 7**

**Weighting: 20%**

There will be one class test of 1.5 hour duration worth 20% of the overall assessment of the unit. The test is CLOSED BOOK. i.e., no MATERIALS are to be brought into the exam.

The class test will be conducted in the seminar during week 7 and will focus on all material relevant to seminars one to five inclusive.

The aim of the test is to provide you with on going feedback relating to your understanding and learning progress concerning responding to auditing case studies. The format of the case questions is similar to that of the tutorial assignment questions which are prepared prior to class each week and discussed in seminars. The test will also serve as preparation for the final exam which includes case scenarios.

Submission: Must be undertaken and submitted in your designated seminar.

Extensions and penalties:

No extensions will be granted, i.e., there will be no supplementary class test. Students who do not sit the class test in their designated tutorial will be awarded a mark of 0 for the task, except in cases in which an application for special consideration is made and approved.

Preparation:

It is expected that preparation for the class test will take between five and ten hours. The best preparation for the class tests is to (a) revised lecture slides, (b) re-read text chapters and (c) review and re-attempt the case questions discussed in seminars.

Marking criteria and feedback:

The test will be marked consistently by one of the tutors. The test solution and detailed feedback will be available on i-learn within a fourteen day period.

On successful completion you will be able to:

- demonstrate an understanding of the overall audit function and the reasons for an audit.
- ability to critically analyse and apply the professional, legal, ethical and regulatory framework within which audits and other audit related and assurance engagements are carried out.
- demonstrate an ability to examine the audit process and the techniques used by auditors including business risk analysis, internal controls assessment, evidence collection and evaluation, use of computer assisted audit techniques and audit reporting.

## Case Study

Due: **Week 10 seminar**

Weighting: **20%**

This is a group case study assignment with the aim to test students' ability to integrate skills learnt in Auditing and Assurance Services to analyse a real Australian company from the auditor's perspective and within the framework of auditing standards. Students within a group are expected to undertake both independent and collaborative research, study and discussion for the case study. The group environment provides the opportunity for students to interact and communicate with each other as is done in practice.

Details regarding the nature of the case study, its requirements, marking criteria and formation of student groups will be made available on iLearn at the beginning of Week 5 of the semester.

Submission: Must be submitted in seminars during week 10.

Extension: No extensions will be granted.

Penalties: Students who do not submit the group assignment in their designated seminar will be awarded a mark of zero (0) for the test, except for cases in which an application for special consideration is made and approved. In these cases, the weighting will be transferred to the final examination accordingly.

On successful completion you will be able to:

- demonstrate an understanding of the overall audit function and the reasons for an audit.
- ability to critically analyse and apply the professional, legal, ethical and regulatory framework within which audits and other audit related and assurance engagements are carried out.
- demonstrate an ability to examine the audit process and the techniques used by auditors including business risk analysis, internal controls assessment, evidence collection and evaluation, use of computer assisted audit techniques and audit reporting.
- demonstrate an understanding of current developments in audit practice.

## Final Examination

Due: **University Examination Period**

Weighting: **50%**

A final examination is included as an assessment task for this unit to provide assurance that: (i) the product belongs to the student and (ii) that the student has attained the knowledge and skills tested in the exam.

A 2 hour final examination, designed to test you against the learning objectives of the unit, will be held during the University Examination period. The exam will cover all material from seminars 1 to 12, although emphasis will be given to those areas not previously examined. You will be given further information regarding the final exam during the final seminar of the semester.

There is a requirement to pass the final examination to be awarded a final grade of a Pass or a higher grade in the unit.

Dictionaries and calculators are not permitted in the final exam. Students are also prohibited from bringing any pre-prepared notes or other examples of their writing into the final exam.

You are expected to present yourself for examination at the time and place designated in the University Examination Timetable. The timetable will be available in Draft form approximately eight weeks before the commencement of the examinations and in Final form approximately four weeks before the commencement of the examinations.

[http:// exams.mq.edu.au/](http://exams.mq.edu.au/)

The only exception to not sitting an examination at the designated time is because of documented illness or unavoidable disruption. In these circumstances you may wish to consider applying for Special Consideration. The University's policy on special consideration process is available at [http://www.mq.edu.au/policy/docs/special\\_consideration/policy.html](http://www.mq.edu.au/policy/docs/special_consideration/policy.html)

If a Supplementary Examination is granted as a result of the Special Consideration process the examination will be scheduled after the conclusion of the official examination period. Please note that the supplementary examination will be of the same format as the final examination.

On successful completion you will be able to:

- demonstrate an understanding of the overall audit function and the reasons for an audit.
- ability to critically analyse and apply the professional, legal, ethical and regulatory framework within which audits and other audit related and assurance engagements are carried out.
- demonstrate an ability to examine the audit process and the techniques used by auditors including business risk analysis, internal controls assessment, evidence collection and evaluation, use of computer assisted audit techniques and audit reporting.
- demonstrate an understanding of current developments in audit practice.

## Delivery and Resources

### CONTACTING STAFF

E-mail is the primary form of communication. Please send emails from your university email account. Consultation will be conducted via email and/or at the end of each seminar by your seminar leader. In special circumstances, an appointment may be made for consultation. Students experiencing significant difficulties with any topic in the unit must seek assistance immediately.

### CLASSES

The timetable for classes in Session 1, 2014 are as follows (<http://www.timetables.mq.edu.au/>)

| Time       | Monday  | Tuesday | Wednesday | Thursday | Friday |
|------------|---------|---------|-----------|----------|--------|
| 9am-12pm   | C5A 304 |         |           |          |        |
| 10am - 1pm |         | C4A 318 |           |          |        |

|            |         |  |         |         |
|------------|---------|--|---------|---------|
| 11am - 2pm |         |  |         | C4A 315 |
| 12pm - 3pm | C5A 301 |  |         |         |
| 6pm-9pm    |         |  | W6B 345 |         |

You **MUST** attend the scheduled class into which you are enrolled. Where a student is absent from a seminar, no allowance can be given for this absence (unless supported by appropriate documentary evidence).

## Teaching and Learning Activities

This unit involves one three-hour seminar per week. It should be emphasised that attendance at the seminar is a necessary but not sufficient condition for adequate examination preparation. Each week all students should study the relevant materials prescribed and attempt the assigned seminar questions **prior** to attending the class, and participate in class discussions.

The seminar is divided into two parts. The first part of each seminar will comprise a lecture which aims to cover the key concepts of the unit material set for that week. These lectures will be critical to the coverage and understanding of the unit content. Although the auditing and assurance course is broken down into a number of segments, students should recognise that each segment / lecture forms part of the audit process. The second part of the seminar is designed to complement the lecture program by working through the practical seminar questions set for that week. When working through these questions it is expected that seminar participants will contribute to the discussion and raise particular issues or problems that they have had with the seminar questions. Remember that answers to these questions are not easily bracketed as “right” or “wrong” but are the product of a logical and well structured analysis.

Please note that solutions to the weekly seminar assigned questions will not be made available to students. Therefore it is imperative that students attend the weekly seminar in order to correct their work and to clarify any issues they may have in understanding the material assigned.

## Changes from Semester 2, 2013 offering

The number and weighting of assessments has changed slightly from last semester. New assessment items includes (a) two online web quizzes worth 5% each. The combined weighting of the class tests has decreased from 25% to 20 %. In addition the weighting on the final examination has decreased by 5% from 55% to 50%. Please refer to the detail provided under the assessments tasks tab for an overview of the assessment requirements of the unit.

### Required and Recommended Texts and/or Materials

In order to complete the seminar work and prepare for the examinations in this unit, you will need access to the following textbooks:

Gay, G. & Simnett, R. (2012). *"Auditing and Assurance Services in Australia, 5th edition"*.



McGraw-Hill.

(The text is packaged in the Co-op bookshop with an access code to "Connect" which is an useful online resource.)

Martinov-Bennie, N., Roebuck, P., & Soh, D. (2014). *"Auditing and assurance: a case studies approach 6th edition"*. Lexis Nexis, Butterworths.

Australian Auditing Standards can be found on the following site:

AUASB (<http://www.auasb.gov.au>) and APESB (<http://www.apesb.org.au>).

### **Requirements to complete the unit satisfactorily.**

To obtain a passing grade for the unit students must:

- (i) Satisfactory attempt ALL assessment tasks
- (ii) Obtain and overall passing mark for the unit AND
- (iii) Pass the final exam

### **Technology Used and Required**

Students must have access to a computer, be able to use the internet and be familiar with the University's learning management system "iLearn" (refer to the detail contained below in Unit Web Page). Importantly ilearn will need to be access to undertake the online unit assessment.

In order to prepare weekly seminar assignments and the case study assignment, students are encouraged to use Microsoft Word.

Students are required to conduct their own research and need to be familiar with Internet search engines and library databases.

## **Unit Web Page**

To access the unit's online website, students need to navigate to <http://ilearn.mq.edu.au>. Technical advice and assistance is available to students at: <http://online.mq.edu.au/docs/tecinf.html>

Students need to ensure they have access to this website on a regular basis by using your university username/password details. Students will need to contact the IT helpdesk if they face any difficulties (9850 4357 or 1800 063 191).

Students are expected to download their seminar lecture slides and readings/questions from the Unit Web Site each week. Lecture slides should be brought to class so students' can add notes to them during the lecture. There is also a copy of this unit outline on the web page and other course documents. Always check the website for important information as this is our main way of communicating with you.

## Unit Schedule

| Week | Date commencing | Seminar No. and Topic  |
|------|-----------------|--|
| 1    | 3 March 2014    | Seminar 1 - urse overview and Introduction to the Audit function   |
| 2    | 10 March 2014   | Seminar 2 - Understanding the entity and assessing risk  |
| 3    | 17 March 2014   | Seminar 3 - Internal control evaluation and the role of mitigating controls  |
| 4    | 24 March 2014   | Seminar 4 - Analytical Procdures and Risk Assessment<br><b>Quiz 1 available on ilearn from 3pm Friday 28/3 to 3pm Monday 31/3</b>  |
| 5    | 31 March 2014   | Seminar 5 - Audit evidence: use of assetions<br><b>Case report released on ilearn</b>  |
| 6    | 7 April 2014    | Seminar 6 - Audit evidence: use of procedures  |
|      |                 | <i>Mid-semester break 14 April to 27 April</i>   |
| 7    | 28 April 2014   | Seminar 7 - <b>Class Test held in seminars this week</b>   |
| 8    | 5 May 2014      | Seminar 8 - Auditors response to risks and assessment of materiality   |
| 9    | 12 May 2014     | Seminar 9 - Auditing in an IT environment: Internal control and CAATS  |
| 10   | 19 May 2014     | Seminar 10 - Completing the audit process and audit reporting<br><b>Case report due</b>  |
| 11   | 26 May 2014     | Seminar 11 - Legal liability and ethics<br><b>Quiz 2 available on ilearn from 3pm Friday 30/5 to 3pm Monday 2/6</b>  |
| 12   | 2 June 2014     | Seminar 12 - Using the work of others/public sector and performance auditing   |
| 13   | 9 June 2014     | Seminar 13: Revision and review<br><br>Please note: Monday 9 June is a public holiday so no Monday classes will be held. Alternative arrangements will be made for these students this week. All other claseses will run as per usual this week. |

## Policies and Procedures

Macquarie University policies and procedures are accessible from [Policy Central](#).

Students should be aware of the following policies in particular with regard to Learning and Teaching:

Academic Honesty Policy [http://mq.edu.au/policy/docs/academic\\_honesty/policy.html](http://mq.edu.au/policy/docs/academic_honesty/policy.html)

Assessment Policy <http://mq.edu.au/policy/docs/assessment/policy.html>

Grading Policy <http://mq.edu.au/policy/docs/grading/policy.html>

Grade Appeal Policy <http://mq.edu.au/policy/docs/gradeappeal/policy.html>

Grievance Management Policy [http://mq.edu.au/policy/docs/grievance\\_management/policy.html](http://mq.edu.au/policy/docs/grievance_management/policy.html)

Disruption to Studies Policy [http://www.mq.edu.au/policy/docs/disruption\\_studies/policy.html](http://www.mq.edu.au/policy/docs/disruption_studies/policy.html) *The Disruption to Studies Policy is effective from March 3 2014 and replaces the Special Consideration Policy.*

In addition, a number of other policies can be found in the [Learning and Teaching Category](#) of Policy Central.

## **Student Code of Conduct**

Macquarie University students have a responsibility to be familiar with the Student Code of Conduct: [https://students.mq.edu.au/support/student\\_conduct/](https://students.mq.edu.au/support/student_conduct/)

## **Student Support**

Macquarie University provides a range of support services for students. For details, visit <http://students.mq.edu.au/support/>

## **Learning Skills**

Learning Skills ([mq.edu.au/learningskills](http://mq.edu.au/learningskills)) provides academic writing resources and study strategies to improve your marks and take control of your study.

- [Workshops](#)
- [StudyWise](#)
- [Academic Integrity Module for Students](#)
- [Ask a Learning Adviser](#)

## **Student Services and Support**

Students with a disability are encouraged to contact the [Disability Service](#) who can provide appropriate help with any issues that arise during their studies.

## **Student Enquiries**

For all student enquiries, visit Student Connect at [ask.mq.edu.au](http://ask.mq.edu.au)

## IT Help

For help with University computer systems and technology, visit <http://informatics.mq.edu.au/help/>.

When using the University's IT, you must adhere to the [Acceptable Use Policy](#). The policy applies to all who connect to the MQ network including students.

## Graduate Capabilities

### PG - Discipline Knowledge and Skills

Our postgraduates will be able to demonstrate a significantly enhanced depth and breadth of knowledge, scholarly understanding, and specific subject content knowledge in their chosen fields.

This graduate capability is supported by:

#### Learning outcomes

- demonstrate an understanding of the overall audit function and the reasons for an audit.
- ability to critically analyse and apply the professional, legal, ethical and regulatory framework within which audits and other audit related and assurance engagements are carried out.
- demonstrate an ability to examine the audit process and the techniques used by auditors including business risk analysis, internal controls assessment, evidence collection and evaluation, use of computer assisted audit techniques and audit reporting.
- demonstrate an understanding of current developments in audit practice.

#### Assessment tasks

- Quizzes
- Class Test
- Case Study
- Final Examination

### PG - Critical, Analytical and Integrative Thinking

Our postgraduates will be capable of utilising and reflecting on prior knowledge and experience, of applying higher level critical thinking skills, and of integrating and synthesising learning and knowledge from a range of sources and environments. A characteristic of this form of thinking is the generation of new, professionally oriented knowledge through personal or group-based critique of practice and theory.

This graduate capability is supported by:

## Learning outcomes

- demonstrate an understanding of the overall audit function and the reasons for an audit.
- ability to critically analyse and apply the professional, legal, ethical and regulatory framework within which audits and other audit related and assurance engagements are carried out.
- demonstrate an ability to examine the audit process and the techniques used by auditors including business risk analysis, internal controls assessment, evidence collection and evaluation, use of computer assisted audit techniques and audit reporting.
- demonstrate an understanding of current developments in audit practice.

## Assessment tasks

- Class Test
- Case Study
- Final Examination

## PG - Capable of Professional and Personal Judgment and Initiative

Our postgraduates will demonstrate a high standard of discernment and common sense in their professional and personal judgment. They will have the ability to make informed choices and decisions that reflect both the nature of their professional work and their personal perspectives.

This graduate capability is supported by:

## Learning outcomes

- demonstrate an understanding of the overall audit function and the reasons for an audit.
- ability to critically analyse and apply the professional, legal, ethical and regulatory framework within which audits and other audit related and assurance engagements are carried out.
- demonstrate an ability to examine the audit process and the techniques used by auditors including business risk analysis, internal controls assessment, evidence collection and evaluation, use of computer assisted audit techniques and audit reporting.
- demonstrate an understanding of current developments in audit practice.

## Assessment tasks

- Quizzes
- Class Test
- Case Study
- Final Examination

## **Research and Practice**

Research is used in the unit via the case study assignment which requires students to obtain company and financial information to answer practice based auditing questions. Reference will also need to be made to current the current auditing standards.

Current research articles will also be provided for optional reading for each topic to bridge the gap between academic learning and current research.