



ACCG340

Auditing and Assurance Services

MQC2 Day 2014

Dept of Accounting & Corporate Governance

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General Information

Unit convenor and teaching staff

Unit Convenor

Daisy Chen

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Contact via daisy.chen@mqc.edu.au

Credit points

3

Prerequisites

39cp including [(ACCG308(P) or ACCG310(P)) and (ACCG250(P) or ACCG251(P))]

Corequisites

Co-badged status

Unit description

This unit examines auditing and assurance and the concepts which underlie these services. The unit focuses on financial statement audits conducted under the provisions of the Corporations Act 2001, although other assurance services will also be examined within the unit. Students develop an understanding of the key aspects of an audit and judgements involved in identifying, analysing and responding to specific audit risks typically within case based scenarios. The ability to identify and gather sufficient, appropriate audit evidence and to form appropriate audit conclusions based on the evaluation of that evidence will also be developed. Students in this unit will develop professional judgement and decision making skills and graduate capabilities of critical, analytical and integrative thinking and problem solving. These are valuable skills beyond the specific area of auditing.

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:

- Evaluate and contrast between external and internal audit/assurance, and between various types of audit and assurance services within the current Australian and international regulatory, professional and ethical frameworks and environment
- Analyse case based scenarios including identification and evaluation of risk factors and

their implications for audit planning and evidence gathering activities

Design audit strategies within the context of appropriate, sufficient and relevant evidence, and design appropriate audit procedures (including test of controls and substantive tests) in responding to specific risks in case based scenarios

Apply professional judgement and decision making in determining the nature, extent and timing of audit procedures, the treatment of subsequent events, and in formulating audit opinions

Demonstrate effective communication and develop capacity for reflective practice

Assessment Tasks

Name	Weighting	Due
<u>Assessed coursework</u>	20%	Weeks 3-13
<u>Class test</u>	20%	Week 6
<u>Case study</u>	20%	5pm 15 September 2014
<u>Final Examination</u>	40%	University Examination Period

Assessed coursework

Due: **Weeks 3-13**

Weighting: **20%**

Students are required to complete regular activities consisting of homework questions and quizzes. Details on homework questions and quiz dates will be provided in the weekly seminar guide and Unit assessment guide respectively. The purpose of these activities is to encourage students to actively engage with the material covered in the Unit and to provide students with timely feedback on their performance regularly throughout the session.

Submission

Submission is to be made on iLearn for all components of this assessment task.

Extension

No extensions will be granted.

Penalties

Students who do not make a homework submission or complete a quiz by the due date will receive a mark of zero (0).

What is required to complete the unit satisfactorily

It is expected that students spend approximately 25-30 hours of study for the this assessment task.

On successful completion you will be able to:

- Evaluate and contrast between external and internal audit/assurance, and between various types of audit and assurance services within the current Australian and international regulatory, professional and ethical frameworks and environment
- Analyse case based scenarios including identification and evaluation of risk factors and their implications for audit planning and evidence gathering activities
- Design audit strategies within the context of appropriate, sufficient and relevant evidence, and design appropriate audit procedures (including test of controls and substantive tests) in responding to specific risks in case based scenarios
- Apply professional judgement and decision making in determining the nature, extent and timing of audit procedures, the treatment of subsequent events, and in formulating audit opinions

Class test

Due: **Week 6**

Weighting: **20%**

A 50 minutes class test will be conducted in the class during Week 6. The test is worth 20% of the final assessment for this Unit. The test will consist of short answer and case based questions and will include material covered up to the week 6 seminar. The purpose of the class test is to provide students with practice on a summative assessment task for this Unit and provide feedback on their progress midway through the session.

Students will be allowed to take one double-sided A4 sheet of handwritten notes into the class test. This sheet will be collected with the class test and will not be returned to students. Students are advised to take copies of their notes prior to the class test should they wish to retain a copy.

No calculators, dictionaries, books, or other materials or aids besides the one page of notes described above are permitted in the final examination.

Submission

The class test will be conducted in the class during Week 6. Please note that there are no seminars scheduled in Week 6.

Extension

No extensions will be granted. There will be no supplementary class test.

Penalties

Students who do not attempt the class test will be awarded a mark of zero (0) for the task, except for cases in which an application for special consideration is made and approved. In these cases, the weight of the class test will be transferred to the final examination. Students who attend a class for which they have not registered to sit for the class test may be turned away if

they cannot be accommodated. A mark of zero (0) will be awarded for the task in these cases.

What is required to complete the unit satisfactorily

Students will be expected to undertake self-study study activities in preparation for the class test.. It is expected that students spend approximately 20 hours of study for the test. It is aimed to have the tests returned for review and feedback provided to students in the seminar following the test. Class test scripts may not be retained by students.

On successful completion you will be able to:

- Analyse case based scenarios including identification and evaluation of risk factors and their implications for audit planning and evidence gathering activities
- Design audit strategies within the context of appropriate, sufficient and relevant evidence, and design appropriate audit procedures (including test of controls and substantive tests) in responding to specific risks in case based scenarios
- Apply professional judgement and decision making in determining the nature, extent and timing of audit procedures, the treatment of subsequent events, and in formulating audit opinions

Case study

Due: **5pm 15 September 2014**

Weighting: **20%**

Students are required to complete a case study assignment worth 20% based on a real life company. The assignment will consist of group and individual components. Details regarding the nature of the assignment, its requirements, and the marking criteria will be made available on iLearn early in the session.

Submission

Submissions must be made to Turnitin on iLearn by **5pm on Monday 15 September 2014**. Detailed submission instructions will be provided in the case study assignment brief that will be made available on iLearn early in the session. Guidance on how to submit a Turnitin assignment may be accessed from http://mq.edu.au/iLearn/student_info/assignments.htm#turnitin.

Extension

No extensions will be granted. Late case studies submissions will be accepted up to 96 hours after the deadline.

Penalties

There will be a deduction of 25% of the total available marks made from the total awarded mark for each 24 hours period or part thereof that the submission is late (for example, 25 hours late in submission - 50% penalty). This penalty does not apply for cases in which an application for special consideration is made and approved.

There will be a deduction of 25% of the total available marks made from the total awarded mark for the group component of the case study assignment for students who fail to form a group. It is the individual student's responsibility to ensure that they are in a group early in the session. Further instructions on group formation will be provided in a seminar early in the session.

Without exception, any evidence of plagiarism discovered in submitted assignments will result in a detailed investigation and may result in a fail grade in the unit and exclusion from the University.

What is required to complete the unit satisfactorily

Students are expected to undertake independent and collaborative research, study and discussion for the case study. It is expected that students spend approximately 20 - 25 hours in completing this assessment task. It is aimed to have the case study marked and returned to students within 3 weeks after submission.

On successful completion you will be able to:

- Evaluate and contrast between external and internal audit/assurance, and between various types of audit and assurance services within the current Australian and international regulatory, professional and ethical frameworks and environment
- Analyse case based scenarios including identification and evaluation of risk factors and their implications for audit planning and evidence gathering activities
- Design audit strategies within the context of appropriate, sufficient and relevant evidence, and design appropriate audit procedures (including test of controls and substantive tests) in responding to specific risks in case based scenarios
- Apply professional judgement and decision making in determining the nature, extent and timing of audit procedures, the treatment of subsequent events, and in formulating audit opinions
- Demonstrate effective communication and develop capacity for reflective practice

Final Examination

Due: **University Examination Period**

Weighting: **40%**

A final examination is included as an assessment task for this unit to provide assurance that:

- (i) learning in the unit belongs to the student; and
- (ii) the student has attained the knowledge and skills tested in the exam.

The examination will cover topics across the entire course. Further information on the final exam will be provided in a seminar closer to the exam date.

Examination conditions

A 2 hour final examination will be held during the University Examination period.

Students will be allowed to take one double-sided A4 sheet of handwritten notes into the final examination. This sheet will be collected with the final examination and will not be returned to students. Students are advised to take copies of their notes prior to the final examination should they wish to retain a copy.

No calculators, dictionaries, books, or other materials or aids besides the one page of notes described above are permitted in the final examination.

What is required to complete the unit satisfactorily

Students **must pass the final exam to receive a passing grade in this unit**. Students are expected to spend approximately 30 hours of study for the final exam.

Students who wish to obtain feedback on the final exam should refer to guidelines relating to the Grade Review process available on the web page of the Faculty of Business and Economics.

If a Supplementary Examination is granted as a result of the Special Consideration process the examination will be scheduled as per the Supplementary Examination timetable of the Faculty. Please note that the supplementary examination will be of the similar format as the final examination.

On successful completion you will be able to:

- Evaluate and contrast between external and internal audit/assurance, and between various types of audit and assurance services within the current Australian and international regulatory, professional and ethical frameworks and environment
- Analyse case based scenarios including identification and evaluation of risk factors and their implications for audit planning and evidence gathering activities
- Design audit strategies within the context of appropriate, sufficient and relevant evidence, and design appropriate audit procedures (including test of controls and substantive tests) in responding to specific risks in case based scenarios
- Apply professional judgement and decision making in determining the nature, extent and timing of audit procedures, the treatment of subsequent events, and in formulating audit opinions

Delivery and Resources

Classes

The unit requires 3 hours of face-to-face teaching per week in a 3 hour seminar. The seminar will provide a general overview of the topics and highlight key concepts and techniques for specified topics in each week, as well as facilitate further investigation and discussion of the concepts and their application in practical cases.

The timetable for classes can be found on the University web site at: <http://student.mq.edu>

[u.au/](#)

Changes to student timetables may only be made through eStudent. Students wishing to change their allocated seminar should log onto to eStudent and enrol in a seminar where there is a vacancy. Any question of an administrative nature in relation to seminar allocations should be addressed to accg340@mq.edu.au. Student enrolments must be finalised by the end of Week 1, Friday 7 March 2014. No further changes may be made after this date.

Prizes

Details of prizes awarded by the Faculty of Business and Economics are available at: http://www.businessandeconomics.mq.edu.au/undergraduate_degrees/prizes_scholarships

Required and Recommended Texts and/or Materials

The required texts for the unit, which are available from the Co-op Bookshop are as follows:

Martinov-Bennie, N., Roebuck, P. and Soh, D. (2014) *Auditing and Assurance: A Case Studies Approach*, 6th Edition, LexisNexis Butterworths, Sydney, Australia. [<http://www.coop.com.au/bookshop/show/auditing-and-assurance-a-case-studies-approach-martinov-roebuck-soh/9780409334180/?gclid=CMezkuy317wCFUNvvAodm1oA2w>]

Leung P., Coram, P., Cooper, B. and Richardson, P. (2011) *Modern Auditing & Assurance Services*, 5th Edition, John Wiley & Sons Australia Ltd, Brisbane, Australia. [Also available for purchase from: <http://www.wileydirect.com.au/buy/modern-auditing-assurance-services-5th-edition/>]

Additional required readings will also be made available on iLearn.

Students are also expected to read relevant standards and guidance which are available online at <http://www.auasb.gov.au> (ASAs, ASQC, ASRS, and AGS) and <http://www.apesb.org.au> (APES). These are also contained in the CPA and ICAA Auditing Handbook that are available for purchase as follows:

The Institute of Chartered Accountants Australia (2014) *Auditing, Assurance and Ethics Handbook 2014*, John Wiley & Sons Australia Ltd, Brisbane, Australia.

CPA Australia (2013) *Auditing, Assurance and Ethics Handbook 2013*, Pearson, Sydney, Australia

The following texts may be useful as additional references:

Gay, G. and Simnett, R. (2012) *Auditing and Assurance Services in Australia*, 5th edition, McGraw-Hill, Sydney, Australia.

Moroney, R., Campbell, F. and Hamilton, J. (2011) *Auditing: A practical approach*, 2nd Edition, John Wiley & Sons Australia Ltd, Brisbane, Australia. [Also available for purchase from: <http://www.wileydirect.com.au/buy/auditing-practical-approach-2nd-edition/>]

Arens, A., Best, P., Shailer, G., Fielder, B., Elder, R. and Beasley, M. (2011) *Auditing, Assurance Services and Ethics in Australia: An Integrated Approach*, 8th Edition, Pearson, Sydney, Australia.

Technology Used and Required

Students will need access to a personal computer and the internet to obtain seminar slides, additional readings, assessment details and notices from the ACCG340 iLearn site, as well as to complete and make submissions for the assessment tasks in this Unit.

The iLearn site this unit can be found at: <http://iLearn.mq.edu.au>

You are strongly encouraged to regularly visit the website to check for important announcement and use it as a resource to enhance your learning experience.

Learning and Teaching Activities

Seminar slides will be available on the unit web page. It is the individual student's responsibility to download and print these slides. It is expected that students will read the materials and specified references prior to attending seminars.

Using the concepts and techniques covered in seminars or references, students are required to prepare full solutions to weekly assigned seminar questions before attending their allocated seminar. A separate seminar guide detailing seminar questions and activities will be made available on iLearn at the start of the semester. Suggested response guides to *selected* seminar questions will be placed on the unit web page at the end of each week.

Students are expected to participate in discussions in seminars as it allows them to review and/or clarify the learning material, benefit from the experience and thinking of other students, tests whether their understanding is sound, assists in developing critical thinking skills, as well as develops confidence in communicating.

Changes since the last offering of this Unit

The following changes have been introduced since the last offering of this unit:

- The delivery format of this Unit has been changed to a 3 hour seminar format.
- The weight of the final examination has been reduced from 55% to 40%.
- Assessed coursework has been introduced as an assessment task. Assessed coursework subsumes the quiz assessment task from the last offering.

Unit Schedule

Wk	Topics	Materials	Std/Guid
1	Course overview	MBRS p.2	ASA 101
	Introduction to auditing and assurance services	LCCR Chapter 1 and pp. 242-261	ASA 200

2	<p>Planning the audit</p> <p>Audit documentation</p> <p>Materiality</p>	<p>MBRS pp. 2-7, 57</p> <p>LCCR pp. 261-263, 310-322, 338-345, 397-400, 417-422, 436-442</p>	<p>ASA 210</p> <p>ASA 220</p> <p>ASA 230</p> <p>ASA 240</p> <p>ASA 250</p> <p>ASA 300</p> <p>ASA 320</p>
3	<p>Understanding the entity and risk assessment</p> <p>Considering the risk of fraud</p> <p>Other risk considerations</p>	<p>MBRS pp. 3-7, 38</p> <p>LCCR pp. 322-337, 366-370, 495-498</p>	<p>ASA 315</p>
4	<p>Financial statement assertions</p> <p>Internal controls</p> <p>Tests of controls</p>	<p>MBRS pp. 34-38, 55-56</p> <p>LCCR pp. 362-366, 370-396, 462-470, 511-520 [and Ch 14-17]</p>	<p>ASA 315</p> <p>ASA 330</p>
5	<p>Audit evidence</p> <p>Audit procedures in response to assessed risks</p> <p>Audit strategy</p>	<p>MBRS pp. 54-57</p> <p>LCCR pp. 423-436, 458-462, 498-507</p>	<p>ASA 315</p> <p>ASA 330</p> <p>ASA 500</p> <p>ASA 501</p> <p>ASA 505</p>
6†	<p>CLASS TEST (18 August 2014)†</p>		
7	<p>Analytical procedures</p> <p>Audit sampling</p> <p>Using the work of others</p>	<p>MBRS pp. 5-6, 56-57, 114</p> <p>LCCR pp. 328, 346-348, 501-502, 534-549, 434, 466-467, 686-687</p>	<p>ASA 520</p> <p>ASA 530</p> <p>ASA 600</p> <p>ASA 610</p> <p>ASA 620</p>
8	<p>Governance and the auditor</p> <p>Audit committees</p> <p>Internal auditing</p>	<p>MBRS pp. 175-177</p> <p>LCCR Chapter 2 (exclude pp. 69-81)</p> <p>Cohen, Krishnamoorthy & Wright (2004)**</p> <p>Soh & Martinov-Bennie (2011)**</p>	<p>ASA 315</p> <p>ASA 610</p>

9	IT systems: Internal control	MBRS pp. 84-90	ASA 315
	IT systems: Substantive testing	LCCR pp. 471-478, 507-510	ASA 330
	E-commerce environment and audit implications	ABSFEF Chapter 11**	
10	Completing the audit	MBRS pp. 37, 114-121	ASA 260
	Subsequent events	LCCR Chapter 18 and Chapter 7	ASA 265
	Going concern		ASA 450
	Audit reporting		ASA 560
			ASA 570
			ASA 700
			ASA 705
		ASA 706	
		ASA 720	
11	Auditors' legal liability	MBRS pp. 170-175	ASA 102
	Professional ethics and auditor independence	LCCR Chapter 3 and Chapter 5	ASA 220
	Audit quality	IAASB (2014)**	ASQC 1
			APES110
		AGS1014	
12	Public sector auditing	MBRS pp. 142-147	ASAE3000
	Other assurance services	LCCR Chapter 4 and pp. 69-81	ASAE3100
	Current issues	Martinov-Bennie, Frost & Soh (2012)**	ASAE3500
			ASRS4400
13	Course review and revision		

* MBRS and LCCR refer to the prescribed texts for the unit, Martinov-Bennie, N., Roebuck, P. and Soh, D. (2014) *Auditing and Assurance: A Case Studies Approach*, 6th Edition, LexisNexis Butterworths, Sydney, Australia, and Leung P., Coram, P., Cooper, B. and Richardson, P. (2011) *Modern Auditing & Assurance Services*, 5th Edition, John Wiley & Sons Australia Ltd, Brisbane, Australia, and respectively.

** These additional references will be made available on iLearn during the semester. ABSFEF refers to Arens, A., Best, P., Shailer, G., Fielder, B., Elder, R. and Beasley, M. (2011) *Auditing, Assurance Services and Ethics in Australia: An Integrated Approach*, 8th Edition, Pearson, Sydney, Australia.

† Note that there are no seminars in Week 6. Students MUST register to attend a 1 hour class to sit the class test on 18 August 2014.

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

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

Disruption to Studies Policy 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/

Academic Honesty

The nature of scholarly endeavour, dependent as it is on the work of others, binds all members of the University community to abide by the principles of academic honesty. Its fundamental principle is that all staff and students act with integrity in the creation, development, application and use of ideas and information. This means that:

- all academic work claimed as original is the work of the author making the claim
- all academic collaborations are acknowledged
- academic work is not falsified in any way
- when the ideas of others are used, these ideas are acknowledged appropriately.

Further information on the academic honesty can be found in the Macquarie University Academic Honesty Policy at http://www.mq.edu.au/policy/docs/academic_honesty/policy.html

Grades

Macquarie University uses the following grades in coursework units of study:

- HD - High Distinction
- D - Distinction
- CR - Credit
- P - Pass

- F - Fail

Grade descriptors and other information concerning grading are contained in the Macquarie University Grading Policy which is available at:

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

Grading Appeals and Final Examination Script Viewing

If, at the conclusion of the unit, you have performed below expectations, and are considering lodging an appeal of grade and/or viewing your final exam script please refer to the following website which provides information about these processes and the cut off dates in the first instance. Please read the instructions provided concerning what constitutes a valid grounds for appeal before appealing your grade.

http://www.businessandconomics.mq.edu.au/new_and_current_students/undergraduate_current_students/how_do_i/grade_appeals/

Special Consideration Policy

The University is committed to equity and fairness in all aspects of its learning and teaching. In stating this commitment, the University recognises that there may be circumstances where a student is prevented by unavoidable disruption from performing in accordance with their ability. A special consideration policy exists to support students who experience serious and unavoidable disruption such that they do not reach their usual demonstrated performance level. The policy is available at:

http://www.mq.edu.au/policy/docs/special_consideration/policy.html

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) 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

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

Capable of Professional and Personal Judgement and Initiative

We want our graduates to have emotional intelligence and sound interpersonal skills and to demonstrate discernment and common sense in their professional and personal judgement. They will exercise initiative as needed. They will be capable of risk assessment, and be able to handle ambiguity and complexity, enabling them to be adaptable in diverse and changing environments.

This graduate capability is supported by:

Learning outcomes

- Analyse case based scenarios including identification and evaluation of risk factors and their implications for audit planning and evidence gathering activities
- Design audit strategies within the context of appropriate, sufficient and relevant evidence, and design appropriate audit procedures (including test of controls and substantive tests) in responding to specific risks in case based scenarios
- Apply professional judgement and decision making in determining the nature, extent and timing of audit procedures, the treatment of subsequent events, and in formulating audit opinions
- Demonstrate effective communication and develop capacity for reflective practice

Assessment tasks

- Assessed coursework
- Class test
- Case study
- Final Examination

Discipline Specific Knowledge and Skills

Our graduates will take with them the intellectual development, depth and breadth of knowledge, scholarly understanding, and specific subject content in their chosen fields to make them

competent and confident in their subject or profession. They will be able to demonstrate, where relevant, professional technical competence and meet professional standards. They will be able to articulate the structure of knowledge of their discipline, be able to adapt discipline-specific knowledge to novel situations, and be able to contribute from their discipline to inter-disciplinary solutions to problems.

This graduate capability is supported by:

Learning outcomes

- Evaluate and contrast between external and internal audit/assurance, and between various types of audit and assurance services within the current Australian and international regulatory, professional and ethical frameworks and environment
- Analyse case based scenarios including identification and evaluation of risk factors and their implications for audit planning and evidence gathering activities
- Design audit strategies within the context of appropriate, sufficient and relevant evidence, and design appropriate audit procedures (including test of controls and substantive tests) in responding to specific risks in case based scenarios
- Apply professional judgement and decision making in determining the nature, extent and timing of audit procedures, the treatment of subsequent events, and in formulating audit opinions
- Demonstrate effective communication and develop capacity for reflective practice

Assessment tasks

- Assessed coursework
- Class test
- Case study
- Final Examination

Critical, Analytical and Integrative Thinking

We want our graduates to be capable of reasoning, questioning and analysing, and to integrate and synthesise learning and knowledge from a range of sources and environments; to be able to critique constraints, assumptions and limitations; to be able to think independently and systemically in relation to scholarly activity, in the workplace, and in the world. We want them to have a level of scientific and information technology literacy.

This graduate capability is supported by:

Learning outcomes

- Analyse case based scenarios including identification and evaluation of risk factors and their implications for audit planning and evidence gathering activities
- Design audit strategies within the context of appropriate, sufficient and relevant

evidence, and design appropriate audit procedures (including test of controls and substantive tests) in responding to specific risks in case based scenarios

- Apply professional judgement and decision making in determining the nature, extent and timing of audit procedures, the treatment of subsequent events, and in formulating audit opinions
- Demonstrate effective communication and develop capacity for reflective practice

Assessment tasks

- Assessed coursework
- Class test
- Case study
- Final Examination

Problem Solving and Research Capability

Our graduates should be capable of researching; of analysing, and interpreting and assessing data and information in various forms; of drawing connections across fields of knowledge; and they should be able to relate their knowledge to complex situations at work or in the world, in order to diagnose and solve problems. We want them to have the confidence to take the initiative in doing so, within an awareness of their own limitations.

This graduate capability is supported by:

Learning outcomes

- Analyse case based scenarios including identification and evaluation of risk factors and their implications for audit planning and evidence gathering activities
- Design audit strategies within the context of appropriate, sufficient and relevant evidence, and design appropriate audit procedures (including test of controls and substantive tests) in responding to specific risks in case based scenarios
- Apply professional judgement and decision making in determining the nature, extent and timing of audit procedures, the treatment of subsequent events, and in formulating audit opinions

Assessment task

- Case study

Research and Practice

This unit uses research by Macquarie University researchers:

- Martinov-Bennie, N., Frost, G. and Soh, D. (2012). "Assurance on sustainability reporting: State of play and future directions" in *Contemporary Issues in Sustainability*

Reporting and Assurance, S. Jones and J. Ratnatunga (eds.), Emerald Group Publishing Limited, UK.

- Soh, D. S. B. and N. Martinov-Bennie (2011). "The internal audit function: Perceptions of internal audit roles, effectiveness, and evaluation." *Managerial Auditing Journal* 26(7): 605-622.

This unit uses research from external sources:

- Cohen, J., Krishnamoorthy, G. and Wright, A. (2004). "The Corporate Governance Mosaic and Financial Reporting Quality." *Journal of Accounting Literature* 23: 87-152

This unit examines topical issues and developments in the auditing profession in Australia and internationally such as through the following resources:

- International Auditing and Assurance Standards Board (IAASB) (2014). "A Framework for Audit Quality: Key Elements that Create an Environment for Audit Quality", International Federation of Accountants (IFAC), New York.
- International Auditing and Assurance Standards Board (IAASB) (2013). "Exposure Draft: Reporting on Audited Financial Statements: Proposed New and Revised International Standards on Auditing (ISAs)", International Federation of Accountants (IFAC), New York.
- Australian Securities and Investments Commission (ASIC) (2012). "Audit inspection program report for 2011-12", ASIC, Australia.
- Financial Reporting Council (FRC) (2007). "Promoting Audit Quality", Financial Reporting Council, London.
- ASX Corporate Governance Council (CGC) (2010). "Corporate Governance Principles and Recommendations with 2010 Amendments", 2nd Edition, Australian Securities Exchange, Sydney.
- ASX Corporate Governance Council (CGC) (2013). "Consultation Draft: Corporate Governance Principles and Recommendations", 3rd Edition, Australian Securities Exchange, Sydney.