



# ACCG811

## Advanced Auditing and Assurance Services

S2 Day 2013

*Accounting and Corporate Governance*

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## General Information

Unit convenor and teaching staff

Unit Convenor

Fiona Foster

[fiona.foster@mq.edu.au](mailto:fiona.foster@mq.edu.au)

Contact via [fiona.foster@mq.edu.au](mailto:fiona.foster@mq.edu.au)

E4A Level 2

Via email (also preferred contact method)

Credit points

4

Prerequisites

ACCG611 or admission to MCorpGvnce prior to 2013 or admission to MCom or MIntBus or MEc or MActPrac prior to 2011

Corequisites

Co-badged status

Unit description

This is an advanced 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 (Cth), 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. The unit is both practical and theoretical, with students required to apply their knowledge to discussing cases developed from practice.

## 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:

- an understanding of the overall audit function and the reasons for an audit
- familiarisation with the professional, legal, ethical and regulatory framework within which audits and other audit related and assurance engagements are carried out
- 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  
an understanding of current developments in audit practice

## Assessment Tasks

Name	Weighting	Due
<u>Assessed Coursework</u>	5%	Reviewed in 5 seminars
<u>Class Test 1</u>	5%	Week 4 Seminar
<u>Class Test 2</u>	20%	Week 7 Seminar
<u>Case Study</u>	20%	Week 10 Seminar
<u>Final Examination</u>	50%	University Examination Period

### Assessed Coursework

Due: **Reviewed in 5 seminars**

Weighting: **5%**

Independent work on seminar assigned questions is fundamental to satisfying the learning objectives of this unit. You are not expected to always have the right answers from your independent work but you are expected to make a significant attempt to complete all seminar questions before each seminar. It is expected that, in addition to attendance at the weekly seminars, you will need to spend 2 – 4 hours per week on readings and seminar questions in preparation for the next class.

Submission Must be submitted in your designated seminar

Extension No extensions will be granted

Penalties Incomplete work on any set questions will result in reduced or zero marks awarded

On successful completion you will be able to:

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- an understanding of current developments in audit practice

## Class Test 1

Due: **Week 4 Seminar**

Weighting: **5%**

The aim of the 15 minute class test is to provide you with on-going feedback relating to your understanding and learning progress within the course up to and including week 3. No materials, dictionaries or calculators will be permitted in the test.

Submission Must be undertaken and submitted in your designated seminar

Extension No extensions will be granted ie there will be no supplementary tests

Penalties Students who do not sit the class test in the 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:

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## Class Test 2

Due: **Week 7 Seminar**

Weighting: **20%**

The aim of the 1 hour class test is to provide you with on-going feedback relating to your understanding and learning progress within the course. It is designed to test your knowledge of the topics covered in the course to date. The focus will be to test your ability to critically analyse and evaluate information provided and to perform the auditing processes and techniques taught within a specific audit client issue context. **NO materials, dictionaries or calculators will be permitted in the test.** Further information on the format, style of questions and content focus of the test will be provided in the seminar in Week 7.

Submission Must be undertaken and submitted in your designated seminar

Extension No extensions will be granted ie there will be no supplementary test.

Penalties Students who do not sit the class test 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:

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## Case Study

Due: **Week 10 Seminar**

Weighting: **20%**

The aim of the group case study and presentation is 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 assignment. 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 and presentation, its requirements and marking criteria will be made available on iLearn early in the semester.

Submission Must be submitted with an accompanying presentation in your designated seminar.

Extension No extensions will be granted

Penalties Written group case studies not received at this time will result in a penalty of 20% of the total awarded marks per day late. Zero marks will be awarded to any individual student within a group that does not undertake an oral presentation in the designated seminar.

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- 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:

1. the product belongs to the student and
2. the student has attained the knowledge and skills tested in the exam.

A 2 hour final examination for this unit will be held during the University Examination period (11th - 29th November). The exam will cover all material from weeks 1 to 13, 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.

The final exam of ACCG 811 is designed to test you against the learning objectives of 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.

Students must pass the final exam to receive a passing grade in the unit.

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. The supplementary exam period is 10 - 13 December 2013.

The Macquarie university examination policy details the principles and conduct of examinations at the University. The policy is available at: <http://www.mq.edu.au/policy/docs/examination/policy.htm>

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- 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

ACCG 811 requires that students attend a weekly seminar of three hours duration. A short break of 10-15 minutes will usually be taken during the seminar.

Students must attend the following seminar each week:

<u>Day</u>	<u>Time</u>	<u>Room</u>
Friday	9am – 12pm	W5C 310

The timetable for classes can be found on the University website at <http://www.timetables.mq.edu.au/>

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. If further assistance with assigned seminar questions is required then you are encouraged to see the lecturer during consultation.

## **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 to possess a copy of the following textbooks:

1. Peter Roebuck and Dr Nonna Martinov-Bennie “**Case Studies in Auditing and Assurance**” Lexis Nexis, 5<sup>th</sup> Edition, 2010.
2. Gay G, and R. Simnett “**Auditing and Assurance Services in Australia**”, McGraw-Hill, 5<sup>th</sup> edition, 2012.

### *Recommended References:*

Australian Society of CPA’s or the Institute of Chartered Accountants, Auditing Handbook Vol. 2 of the Accounting and Auditing Handbook, Prentice-Hall, 2013.

**Note: The standards can be downloaded from the following site**  
**<http://www.auasb.gov.au>**

The required texts can be purchased from the CO-OP Bookshop on campus. These texts are also available in the Macquarie Library.

## **TECHNOLOGY USED AND REQUIRED**

In order to prepare your weekly assignments, research assignment and oral presentation for the class, you are strongly encouraged to use Microsoft Word and/or Microsoft Powerpoint.

You will also be required to access the Internet in order to conduct research and Macquarie University’s learning management system (refer to the detail contained below in Unit Web Page).

## **UNIT WEB PAGE**

A web site for ACCG 811 has been created on Macquarie’s learning management system (iLearn). This site provides students with a facility to download certain course materials. The unit outline, weekly seminar questions and applicable lecture slides for each seminar



are available for download, as well as other course documents. The lecture slides will be referred to during the lectures in ACCG 811 and they should form the basis of chapter summaries that students can use for exam revision. Students should bring their copy of the slides to seminars and add notes to them during the lectures as appropriate.

The web site is <http://ilearn.mq.edu.au> and students should use their Macquarie Login ID and password to access the site. If students have problems with their username and password, they need to contact the IT helpdesk, <http://www.library.mq.edu.au/help/>

## Unit Schedule

### SEMINAR SUMMARY

Week	Date	Seminar Topic
1	August 2	Course Overview / Introduction to the Audit Function
2	August 9	Understanding the Entity and Assessing Risk
3	August 16	Internal Control Evaluation and the role of Mitigating Controls
4	August 23	Analytical Procedures and Risk Assessment. <b>CLASS TEST 1</b>
5	August 30	Audit Evidence - Assertions
6	September 6	Audit Evidence - Audit Procedures
7	September 13	<b>CLASS TEST 2.</b>
	September 20	Recess - private study
	September 27	Recess – private study
8	October 4	Auditors' Response to Risks and Assessment of Materiality
9	October 11	Using the Work of Others/Performance Auditing
10	October 18	<b>ASSIGNMENT SUBMISSION &amp; PRESENTATION</b>
11	October 25	Auditing in an IT environment – Internal Control & CAATS
12	November 1	Completing the Audit Process & Audit Reporting
13	November 8	Legal Liability & Ethics / Final Exam discussion

## 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://www.mq.edu.au/policy/docs/academic\\_honesty/policy.html](http://www.mq.edu.au/policy/docs/academic_honesty/policy.html)

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

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

Grade Appeal Policy <http://www.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)

Special Consideration Policy [http://www.mq.edu.au/policy/docs/special\\_consideration/policy.html](http://www.mq.edu.au/policy/docs/special_consideration/policy.html)

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

## Student Support

Macquarie University provides a range of Academic Student Support Services. Details of these services can be accessed at: <http://students.mq.edu.au/support/>

### UniWISE provides:

- Online learning resources and academic skills workshops [http://www.students.mq.edu.au/support/learning\\_skills/](http://www.students.mq.edu.au/support/learning_skills/)
- Personal assistance with your learning & study related questions.
- The Learning Help Desk is located in the Library foyer (level 2).
- Online and on-campus orientation events run by Mentors@Macquarie.

## 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

Details of these services can be accessed at <http://www.student.mq.edu.au/ses/>.

## IT Help

If you wish to receive IT help, we would be glad to assist you at <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 and it outlines what can be done.

## 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

- an understanding of the overall audit function and the reasons for an audit
- familiarisation with the professional, legal, ethical and regulatory framework within which audits and other audit related and assurance engagements are carried out
- 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
- an understanding of current developments in audit practice

#### Assessment tasks

- Assessed Coursework
- Class Test 1
- Class Test 2
- 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

- 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
- an understanding of current developments in audit practice

## Assessment tasks

- 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 outcome

- 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

## Assessment tasks

- Assessed Coursework
- Class Test 1
- Class Test 2
- Case Study
- Final Examination