ACCG 904
CPA – Assurance Services and Auditing

Session 1, 2012

Department of Accounting and Corporate Governance
Year and Session: 2012 Session 1

Unit convenor: Renee Radich

Prerequisites: Students must successfully complete the 13 units (39 credit points) in the Postgraduate Diploma in Accounting at Macquarie University before commencement of the final six units in the MAcc (CPA Extension) program (24 credit points).

Credit points: 4 credit points

Students in this unit should read this unit outline carefully at the start of session. It contains important information about the unit. If anything in it is unclear, please consult one of the teaching staff in the unit.

ABOUT THIS UNIT

Unit description

This unit provides extended formal academic support for full-time students concurrently enrolled in the Assurance Services and Auditing unit of the CPA program. The overall objective of this segment is to provide a body of knowledge to help students appreciate the nature and diversity of auditing and assurance services. It presents an overview of the auditing process and examines the objectives of the audit and the environment within which an auditor operates. This unit comprises 4 credit points.

Unit rationale

This unit provides knowledge, principles, skills and an appreciation of auditing and assurance services. It presents an overview of various aspects of the auditing process, and examines the objectives of audit and the environment within which an auditor operates. Learning will be facilitated through structured formal academic support for full time students concurrently enrolled in the Master of Accounting (CPA Extension) program, and the Assurance Services and Auditing segment of the CPA program. The aim of this unit is to provide students with the opportunity to acquire knowledge and skills in the performance of an audit. The unit covers the CPA 101 Assurance Services and Auditing segment content as well as including additional case studies, materials and discussions in lectures. These will reinforce understanding of auditing concepts. In addition, the unit aims to extend the generic skills program in the Postgraduate Diploma segment of the MAcc, by further developing practical problem solving skills, communicating and participating in a group setting.
TEACHING STAFF

- Convenor: Renee Radich
  Phone: 9850 8534
  Email: renee.radich@mq.edu.au
  Room: E4A 330

CONTACTING STAFF

- Consultation times
  Consultation hours will be Wednesday 4-6pm. Please note that staff will only respond to emails that are sent by students from their Macquarie University email address.
  You are encouraged to seek help at a time that is convenient to you from a staff member teaching on this unit during their regular consultation hours. In special circumstances, an appointment may be made outside regular consultation hours. Staff will not conduct any consultations by email. You may, however, phone staff during their consultation hours.

  In order to gain access to staff located at levels 1, 2 and 3 of building E4A during their consultation hours please ring the staff member from the phones available in the lobby.

  Students experiencing significant difficulties with any topic in the unit must seek assistance immediately.

CLASSES

Classes will meet for a 4 hour seminar for eight weeks during the session.
Room  C5A 304.
Time: 9am to 1 pm
Dates:  2, 9, 16, 23, 30 March, then 13, 20 and 27 April
There will be no other classes for the rest of the session.

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

PRIZES

- Prizes for this unit (if applicable).
  http://www.businessandeconomics.mq.edu.au/undergraduate_degrees/prizes_scholarships
REQUIRED AND RECOMMENDED TEXTS AND/OR MATERIALS

All students should have the following:

- CPA Program: *CPA 101 Assurance Services and Auditing, 2012.*
- *All auditing standards can be accessed via the website* [www.aasb.com.au](http://www.aasb.com.au)
- *Other References*

Students will be required to use library resources to research beyond these materials in undertaking research necessary to complete their tasks. The CPA 101 course materials have a reference list at the end of each module containing all references cited by the author. These provide some guidance to references that could be used to research particular issues.

TECHNOLOGY USED AND REQUIRED

Students are expected to have:

- Proficiency in Word, Excel and PowerPoint
- Knowledge of Macquarie University's on line system – for downloading lecture materials, etc
- Knowledge of the library research databases – for accessing additional research material.

UNIT WEB PAGE

- Course material is available on the learning management system
  The web page for this unit can be found at: [http://mq.edu.au/iLearn/index.htm](http://mq.edu.au/iLearn/index.htm)

LEARNING OUTCOMES

The learning outcomes of this unit are consistent with the specific objectives of the concurrent CPA 101 Assurance Services and Auditing segment, as outlined in the CPA Segment Outline 2011. These include the ability to demonstrate knowledge and skills in the following areas:

1. establish an assurance framework based on AUS 108 and the international framework for assurance services;
2. apply the assurance framework in financial report audits and assurance services;
3. describe the professional, legislative and regulatory requirements for statutory audits;
4. analyse and illustrate the complete audit process;
5. explain the nature of performance audits; and
6. discuss the nature of other assurance engagements.
**GRADUATE CAPABILITIES**

In addition to the discipline-based learning objectives, all academic programs at Macquarie seek to develop the capabilities the University's graduates will need to develop to address the challenges, and to be effective, engaged participants in their world. This unit contributes to this by developing the following graduate capabilities:

1. Discipline Specific Knowledge and Skills as indicated above in the section of learning outcomes;
2. Critical, Analytical and Integrative Thinking: for example, the ability to plan and implement an audit strategy, and the critical analysis of evidence are valuable skills that extend beyond the specific area of auditing financial statements;
3. Problem Solving and Research Capability: for example, the group assignment will require students to learn how to solve specific problems with respect to auditing one publicly listed Australian company, which requires research skills;
4. Creative and Innovative: for example, in order to make a clear and interesting presentation of the seminar questions, creative and innovative thinking will be required;
5. Effective Communication: is crucial for both written and oral assessment tasks;
6. Engaged and Ethical Local and Global citizens: the unit will cover ethical requirements;
7. Capable of Professional and Personal Judgement and Initiative: this skill will be developed through seminar discussions and group assignment and assessed in the exams.

**LEARNING AND TEACHING ACTIVITIES**

The normal format for each 4 hour seminar class will be as follows:

(a) brief lecture / interactive discussion
(b) review of pre-assigned practice questions

a) Brief lecture / interactive discussion – each week, the lecturer will lead discussion covering the key points of the relevant module. The format and approach for this session will vary but may include a question and answer session where students will be asked to participate. This will require students to have pre-read the module material.

b) Preparation and review of practice questions – in some weeks, students will be expected to complete, and contribute to discussion concerning, various practice questions. The amount of time spent on these questions and the seminar in which they are completed will be at the discretion of the lecturer and will depend upon the time available each week after reviewing the CPA module material.

It should be noted that, as evidenced by the format outlined above, the purpose of the 4-hour seminar is NOT solely to review the CPA module material. In fact, a portion of each seminar will be on the application of the material to case studies and practice questions. Students will be significantly disadvantaged if they expect to use
the seminar to examine the CPA module material for the first time. It is expected that students read and comprehended the module material before the seminar.

A week-by-week list of the topics to be covered is at the end of the unit outline.

**RESEARCH AND PRACTICE**

This unit uses research from external sources (references) and gives you practice in applying research findings in your assignments.
## Relationship Between Assessment and Learning Outcomes

<table>
<thead>
<tr>
<th>Assessment Task 1</th>
<th>Assessment Task 2</th>
<th>Assessment Task 3</th>
<th>Assessment Task 4</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Title/Name</strong></td>
<td>Class test 1</td>
<td>Class Test 2</td>
<td>CPA Examination</td>
</tr>
<tr>
<td><strong>Description</strong></td>
<td>In class examination</td>
<td>Multiple choice examination</td>
<td>Individuals will be required to contribute to assigned class activities and discussions each week</td>
</tr>
<tr>
<td><strong>Due date</strong></td>
<td>see schedule</td>
<td>see schedule below</td>
<td>In class each week</td>
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<tr>
<td><strong>% Weighting</strong></td>
<td>10%</td>
<td>40%</td>
<td>20%</td>
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<tr>
<td><strong>Grading method</strong></td>
<td>Suggested solutions provided will represent marking standards</td>
<td>Suggested solutions provided will represent marking standards</td>
<td>Quality of your arguments, frequency of participation and communication skills. See appendix</td>
</tr>
<tr>
<td><strong>Submission method</strong></td>
<td>Written quiz paper submitted during the designated seminar</td>
<td>Written test paper submitted during the designated seminar</td>
<td>In person, in seminar</td>
</tr>
<tr>
<td><strong>Feedback (type, method, date)</strong></td>
<td>Suggested solutions would be discussed following the examinations</td>
<td>Suggested solutions would be discussed following the examinations</td>
<td>Immediately via lecturer and peer feedback</td>
</tr>
<tr>
<td><strong>Estimated student workload (hours)</strong></td>
<td>1.5hrs/week</td>
<td>3.0hrs/week</td>
<td>2 hrs/week</td>
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<tr>
<td>Learning outcomes assessed</td>
<td>Assessment Task 1</td>
<td>Assessment Task 2</td>
<td>Assessment Task 3</td>
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<tr>
<td>1 establish an assurance framework;</td>
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<td>2. apply the assurance framework;</td>
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<td>x</td>
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<tr>
<td>3 apply the assurance framework services;</td>
<td>x</td>
<td>x</td>
<td>x</td>
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<tr>
<td>4 describe the requirements for statutory audits;</td>
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<td>x</td>
<td>x</td>
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<td>5 analyse and illustrate the complete audit process</td>
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<td>x</td>
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<tr>
<td>6 explain performance audits; and other assurance engagements.</td>
<td>x</td>
<td>x</td>
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<tr>
<td>Graduate capabilities assessed</td>
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<tr>
<td>1 Discipline Specific Knowledge and Skills</td>
<td>x</td>
<td>x</td>
<td>x</td>
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<tr>
<td>2 Critical, Analytical and Integrative Thinking</td>
<td>x</td>
<td>x</td>
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<tr>
<td>3 Problem Solving and Research Capability</td>
<td>x</td>
<td></td>
<td></td>
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<tr>
<td>4 Creative and Innovative</td>
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<td>x</td>
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<tr>
<td>5 Effective Communication</td>
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<tr>
<td>6 Engaged and Ethical Local and Global citizens</td>
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<td>x</td>
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<tr>
<td>7 Capable of Professional and Personal Judgement and Initiative</td>
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</table>
a) **Class Tests (50%)**

There will be 2 open book Class tests held throughout the session. The first test will be for 40 minutes (plus 5 minutes reading time). The first test will be held in your normal class on 23 March, covering CPA modules 1 to 3 and will be worth 10%. The second test will be for 90 minutes (plus 10 minutes reading time). The second test will be held in your normal class 27 April, covering all of the CPA modules and will be worth 40%.

The purpose of these tests is to provide students with feedback on their progress throughout the material and an indication of whether their understanding of the CPA module material and case studies have reached a sufficient level.

It should be noted that these tests may bear little resemblance to the content and level of difficulty of the CPA final exam. Student in this module in prior sessions have suffered due to an assumption that a strong performance in these tests guarantees a similar performance in the CPA final exam.

b) **Class Participation (20%)**

Class participation is essential for achieving learning outcomes in this course. It is expected that you will prepare for each class by going through the specified readings. You are required to actively share with the class your perspectives and experiences on the topics taken up for discussion in the class and respond to the views expressed by others in the class. The lecturer may also ask you to participate in other learning activities (e.g. role play, debates etc.). Marks will be assigned based on your contributions to the class discussions and other learning activities. Please see iLearn for marking guidelines.

The aim is for you to develop higher order skills that you are able to apply in a range of contexts. As such, the memorization of answers and definitions from the text will not be adequate for you to pass this subject. Accordingly, solutions will not be released on the subject website. A suggested strategy for dealing with the subject material is as follows:

- Attend seminars each week and make notes,
- Prepare for seminars by completing the assigned reading
- Attempt all activity questions
- Make a note of any questions you have about the material
- Refer back to readings and lecture notes for potential answers to your questions
- Come along to seminars prepared and ready to ask questions and contribute to discussions
- If questions are still unresolved then make use of the staff consultation times

c) **CPA Examination (30%)**

The CPA Examination is a three hour open book exam consisting of around 95 multiple choice questions worth 100% of the marks and will take place during the CPA examination period commencing 1 May.
Students are advised that the CPA examination is conducted by CPA Australia and in accordance with their rules and regulations. It is the responsibility of students to be aware of the rules and requirements of CPA Australia, the venue, date and time for the examination.

**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](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](http://www.mq.edu.au/policy/docs/grading/policy.html)

All final grades in the Department of Accounting and Corporate Governance are determined by a grading committee and are not the sole responsibility of the Unit Coordinator. Students will be awarded one of these grades plus a Standardised Numerical Grade (SNG). The SNG is not necessarily a summation of the individual assessment components. The final grade and SNG that are awarded reflect the corresponding grade descriptor in the Grading Policy.

In addition, there is a requirement to **pass the final CPA examination** to be awarded a final grade of a Pass or a higher grade.
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.businessandeconomics.mq.edu.au/for/new_and_current_students/postgraduate_students

SPECIAL CONSIDERATION

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/procedure.html

Satisfactory progress in this unit requires a score of 45% in the progressive assessment.

STUDENT SUPPORT SERVICES

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

IT CONDITIONS OF USE

Access to all student computing facilities within the Faculty of Business and Economics is restricted to authorised coursework for approved units. Student ID cards must be displayed in the locations provided at all times.

Students are expected to act responsibly when utilising University IT facilities. The following regulations apply to the use of computing facilities and online services:

● Accessing inappropriate web sites or downloading inappropriate material is not permitted. Material that is not related to coursework for approved unit is deemed inappropriate.
● Downloading copyright material without permission from the copyright owner is illegal, and strictly prohibited. Students detected undertaking such activities will face disciplinary action, which may result in criminal proceedings.

Non-compliance with these conditions may result in disciplinary action without further notice. Students must use their Macquarie University email addresses to communicate with staff as it is University policy that the University issued email account is used for official University communication.
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<tr>
<th>Wk</th>
<th>Lecture Date</th>
<th>Topic</th>
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<tbody>
<tr>
<td>1</td>
<td>2 March</td>
<td>Module 1 Assurance Services Framework</td>
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<td>2</td>
<td>9 March</td>
<td>Module 2 Assurance Engagements: Ethics and Quality Control</td>
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<td>Module 3 General audit principles and auditor responsibilities</td>
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<td>3</td>
<td>16 March</td>
<td>Module 4 Understanding the Entity: Risk Assessment Revision (modules 1 to 3)</td>
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<td>4</td>
<td>23 March</td>
<td>Class Test</td>
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<td>Module 5 Auditors Response to Assessed Risks</td>
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<td>5</td>
<td>30 March</td>
<td>Module 6 Advanced Evidence Gathering Issues</td>
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<td>Module 7 Audit Conclusions and Reporting Requirements</td>
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<td>6</td>
<td>13 April</td>
<td>Module 8 The Auditor’s Responsibility Relating to Fraud</td>
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<td>Module 9 Auditor’s responsibility to Consider the Going Concern Assumption</td>
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<td>7</td>
<td>20 April</td>
<td>Module 10 Performance Engagements</td>
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<td>Module 11 Other Assurance Services and Internal Audit</td>
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<td>8</td>
<td>27 April</td>
<td>Class Test</td>
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<td></td>
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<td>and revision for CPA examination</td>
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<td></td>
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<td>CPA examination period commences 1 May</td>
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