

MACQUARIE  
UNIVERSITY



FACULTY OF  
BUSINESS AND ECONOMICS

Unit code ACCG 904  
Unit Name CPA –Assurance  
Services and Auditing

Semester 2, 2010

*Department of Accounting and Finance*

**MACQUARIE UNIVERSITY  
FACULTY OF BUSINESS AND ECONOMICS  
UNIT OUTLINE ACCG904**

**Year and Semester:** 2010 Semester 2

**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 semester. 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 and credit points

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](mailto:renee.radich@mq.edu.au)  
                          Room: E4A 324  
                          Consultation: Monday 2-4pm
- Lecturer            David Silipo  
                          Email: [equinoxtc@yahoo.com.au](mailto:equinoxtc@yahoo.com.au)

## CONSULTATION TIMES

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 (phone numbers of relevant staff members will be provided on Blackboard and are available next to the phones).

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

## CLASSES

Classes will meet on scheduled dates for a 3 hour seminar during the semester.

Students are required to attend the class in which they are enrolled, unless prior arrangements have been made with both lecturers allowing a student to attend an alternative class in a particular week. As noted below in the method of assessment, participation in the class discussions will form a component of the overall assessment for the course.

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.businessandconomics.mq.edu.au/undergraduate\\_degrees/prizes\\_scholarships](http://www.businessandconomics.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*, 2010.
- 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 Blackboard –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 (BlackBoard)

The web page for this unit can be found at:

<http://online.mq.edu.au>

## 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 2010, 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.

## TEACHING AND LEARNING STRATEGY

The normal format for each 3 hour seminar class will be as follows:

- a) allocated group presentation (in certain weeks) (20 minutes)
- b) brief lecture / interactive discussion (75 minutes)
- c) review of pre-assigned practice questions (60 minutes)

(a) Allocated Group presentation – as detailed below, teams will present their conclusion to a case study on certain weeks (as per the timetable in the unit outline)

(b) 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.

(c) Preparation and review of practice questions – in some weeks, students will be expected to complete, and contribute to discussion concerning, various practice questions. These practice questions will be distributed in the first seminar. 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. Accordingly, students should bring a copy of these questions to every seminar.

It should be noted that, as evidenced by the format outlined above, the purpose of the 3-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

	<b>Assessment Task 1</b>	<b>Assessment Task 2</b>	<b>Assessment Task 3</b>	<b>Assessment Task 4</b>	<b>Assessment Task 5</b>
Title/Name	Class Participation	In-class Presentation	Class Examinations	Group assignment	CPA Examination
Description	Contribution to in-class discussion	A team of 4 will be allocated a case study to review. Teams will give a short presentation (maximum of 20 minutes)v	Two multiple choice examinations	Case study for a group of 4/5	see notes below
Due date	Weekly	see schedule	see schedule below	see schedule of classes	refer to CPA Examination timetable 1 November
% Weighting	10%	10%	35%	15%	30%
Grading method	A mark based on your individual participation throughout the semester. See information below	You will be marked on the quality of your presentation and communication skills in line with the guidelines in this course outline. A suggested approach on how to complete this task will be covered by a representative of CME during class in week 2.	Suggested solutions provided will represent marking standards	Suggested solutions provided will represent marking standards	Marking guide will be provided to qualified examiners as standard marking criteria
Submission method	contributions during seminars	presented during seminar	written quiz paper submitted during the designated seminar	A hard copy to BESS by 5pm 15 October, a soft copy to the email address given on the cover sheet of the group assignment	written hard copy submitted during the CPA designated exam time

	<b>Assessment Task 1</b>	<b>Assessment Task 2</b>	<b>Assessment Task 3</b>	<b>Assessment Task 4</b>	<b>Assessment Task 5</b>
Feedback ( <i>type, method, date</i> )	Feedback will be given in week 5 of an interim score.	Feedback will be given the week following the presentation	Suggested solutions would be discussed following the examinations	Feedback will be provided on the return of group assignments	Feedback may be provided by CPA following the examination
Estimated student workload (hours)	1.0hr/week	1.0hr/week	1.5hrs/week	1hr/week	1.5hrs/week
<b>Learning outcomes assessed</b>					
1 establish an assurance framework;	x	x	x		
2. apply the assurance framework;		x	x		
3 apply the assurance framework services;	x	x	x	x	
4 describe the requirements for statutory audits;	x	x	x	x	x
5 analyse and illustrate the complete audit process	x	x		x	x
6 explain performance audits; and other assurance engagements.		x	x		x
<b>Graduate capabilities assessed</b>					
1 Discipline Specific Knowledge and Skills	x	x	x	x	x
2 Critical, Analytical and Integrative Thinking	x	x	x	x	
3 Problem Solving and Research Capability	x	x		x	
4 Creative and Innovative		x		x	
5 Effective Communication		x		x	
6 Engaged and Ethical Local and Global citizens	x		x		x
7 Capable of Professional and Personal Judgement and Initiative	x	x	x	x	x



To be eligible to obtain a pass grade or better, it is necessary to:

- satisfactorily attempt ALL assessment components, AND
- obtain a PASS in the CPA external examination, AND
- obtain a PASS for the 70% Macquarie University assessment of the unit

**(a) Class Participation (10%)**

A key skill to be successful as an auditor is the ability to effectively and appropriately communicate with both your audit colleagues as well as the client. As a result, a mark out of 10 will be awarded based on your individual participation throughout the semester.

To obtain a satisfactory mark, you are expected to arrive at classes on time and to be an active participant in the class. If you miss classes or arrive late or depart early then you can expect a low mark. To be an active participant, it will be necessary for you to read the relevant CPA module and complete the assigned case studies before attending the class.

**(b) In-class Presentation (10%)**

You will be allocated to a team of 4, with each team allocated a case study to review. Teams will give a short presentation (maximum of 20 minutes) during a nominated class of their understanding of an allocated case study, detailing relevant audit issues and relating the findings to particular auditing standards. Although this will be a group effort, each team member will be assessed on their individual contribution.

You will be marked on the quality of your presentation and communication skills in line with the guidelines in this course outline. A suggested approach on how to complete this task will be covered by a representative of CME during class in week 2.

**(c) Class Exams (35%)**

There will be 2 multiple choice exams held throughout the semester. The first exam will be for 40 minutes (plus 5 minutes reading time), covering 30 multiple choice questions. The first exam will be held in your normal class in the week commencing 23 August, covering CPA modules 1 to 3 and will be worth 10%. The second exam will be for 90 minutes (plus 10 minutes reading time), covering 50 multiple choice questions. The second exam will be held in your normal class in the week commencing 18 October 2010, covering CPA modules 4, 5, 7, 8, 9 and 10 and will be worth 25%. It will also cover Case Studies (from the group presentations).

The purpose of these exams 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 exams may bear little resemblance to the content and level of difficulty of the CPA final exam. Student in this module in prior semesters have suffered due to an assumption that a strong performance in these exams guarantees a similar performance in the CPA final exam.

### **(d) Group Assignment (15%)**

Each team will be allocated a listed public company from the ASX200. Your team will identify 2 major audit risk areas for your selected company. For each audit risk, your assignment should

- explain the potential impact of the audit risk on the company's financial statements and
- detail the auditing procedures to verify the account balances impacted by the risk

Your submission should be no longer than 5 pages (in 12 font with adequate margins and line spacing) and is due for submission to BESS by 5pm 15 October, a soft copy to the email address given on the cover sheet of the group assignment. The submission will be graded out of 10. Late submissions will be penalised by 1 mark per day (or part thereof), such that an assignment submitted, for example, 3 days late, will be marked out of a maximum of 7 marks.

In addition, your team will present your major findings during the week commencing 8 November 2010. This presentation is expected to be no longer than 10 minutes per group and will be graded out of 5.

In order to grade the assignment, an Individual Contribution sheet must be filled out by each student and submitted at the same time as the assignment. The individual sheets can remain confidential and do not have to be shown to the other students in your team.

A copy of the individual contribution sheet is included in this outline. As can be seen, you should note down the percentage contribution of each member of the group (including yourself) to the finally completed assignment. For example, if you believe all 4 students in your group contributed equally to the assignment, you should allocate 25% next to each of the 4 students. The sheet of every member of the group will be used in determining the grade for the assignment.

### **(e) 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 on 1 November 2010.

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**

Please refer to relevant Bachelor Degree rule in the Handbook of Postgraduate Studies.

All final grades in the Department of Accounting and Finance are determined by a grading committee and are not the sole responsibility of the Unit Coordinator.

Macquarie University's Academic Senate has a set of guidelines on the distribution of grades across the range from fail to high distinction. Your final result will include one of these grades plus a standardised numerical grade (SNG).

The SNG is not a summation of the individual assessment components.

## **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/for/new\\_and\\_current\\_students/postgraduate\\_students](http://www.businessandconomics.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](http://www.mq.edu.au/policy/docs/special_consideration/procedure.html)

## **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.

<b>Wk</b>	<b>Commencing</b>	<b>Cases</b>	<b>Topic</b>
1	<b>2 August</b>		Module 1, Assurance Services Framework
2	<b>9 August</b>		Module 2, General audit principles and auditor responsibilities / <b>CME</b>
3	<b>16 August</b>		Module 3, Understanding & Assessing Risk / <b>Video</b>
4	<b>23 August</b>		<b>Revision (modules 1 to 3) and Multiple Choice Exam</b>
5	<b>30 August</b>	<b>A</b>	Module 4, Response to Risks
6	<b>6 September</b>	<b>B</b>	Module 5, Reporting Requirements
7	<b>13 September</b>	<b>C</b>	Modules 7 & 8, Fraud & Going Concern
8	<b>4 October**</b>		<b>October 4 is a Public Holiday no classes this week</b>
9	<b>11 October</b>	<b>D&amp;E</b>	Module 9, Performance Audits Module 10, Other Assurance Engagements / <b>Assignment due</b>
10	<b>18 October</b>		<b>Revision (modules 4 5, 7, 8, 9 and 10) and Multiple Choice Exam</b>
11	<b>25 October</b>	<b>F &amp; G</b>	Revision / Module 6 / Exam feedback
	<b>1 November</b>		CPA Exam
12	<b>8 November</b>		Presentation of Audit Strategy

## ORAL PRESENTATION MARKING GUIDE

	Team Names				
<b>STRUCTURE</b>					
<b>Introduction</b>					
<b>Message</b>					
<b>Handover to others</b>					

<b>CONTENT</b>					
<b>Appropriate for topic</b>					
<b>Information for class</b>					

<b>STYLE</b>					
<b>Use of visuals</b>					
<b>Loud &amp; clear</b>					
<b>Hand/body movement</b>					

<b>AUDIENCE</b>					
<b>Eye contact</b>					
<b>Engaging</b>					

<b>LOGIC/TIME</b>					
<b>Good flow</b>					
<b>Within 4/5 minutes</b>					

# ACCG904

## GROUP ASSIGNMENT INDIVIDUAL CONTRIBUTION SHEET

	Student ID	Student Name	Percentage Contribution of group member to the overall assignment
1			
2			
3			
4			
5			
Total			100%

**SIGNED**

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**DATE**

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**Student ID**

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