

MACQUARIE  
UNIVERSITY



FACULTY OF  
BUSINESS AND ECONOMICS

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

Semester 2, 2011

*Department of Accounting and Finance*

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

**Year and Semester:** 2011 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 330  
                              Consultation: Tuesday 2-4pm

#### 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.

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

#### CLASSES

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

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*, 2011.
- 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://learn.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 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.

## TEACHING AND LEARNING STRATEGY

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

- (a) brief lecture / interactive discussion (75 minutes)
  - (b) review of pre-assigned practice questions (60 minutes)
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- 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. 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>
Title/Name	Diagnostic test	In-Class Examination	Group assignment	CPA Examination
Description	In class examination	Multiple choice examinations	Case study for a group of 4/5	see notes below
Due date	see schedule	see schedule below	see schedule below	refer to CPA Examination timetable
% Weighting	10%	40%	20%	30%
Grading method	Suggested solutions provided will represent marking standards	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	written quiz paper submitted during the designated seminar	written quiz paper submitted during the designated seminar	A hard copy to submitted in class and soft copy emailed to lecturer	written hard copy submitted during the CPA designated exam time
Feedback ( <i>type, method, date</i> )	Suggested solutions would be discussed following the examinations	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)	1.5hrs/week	3.0hrs/week	1.5hrs/week	3.0hrs/week
<b>Learning outcomes assessed</b>				
1 establish an assurance framework;	x	x		
2. apply the assurance framework;	x	x		
3 apply the assurance framework services;	x	x	x	
4 describe the requirements for statutory	x	x	x	x

	Assessment Task 1	Assessment Task 2	Assessment Task 3	Assessment Task 4
audits;				
5 analyse and illustrate the complete audit process	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
2 Critical, Analytical and Integrative Thinking	x	x	x	
3 Problem Solving and Research Capability	x		x	
4 Creative and Innovative	x		x	
5 Effective Communication	x		x	
6 Engaged and Ethical Local and Global citizens		x		x
7 Capable of Professional and Personal Judgement and Initiative	x	x	x	x

### **a) Class Exams (50%)**

There will be 2 open book exams held throughout the semester. The first exam will be for 40 minutes (plus 5 minutes reading time). The first exam will be held in your normal class on 1 September, covering CPA modules 1 to 3 and will be worth 10%. The second exam will be for 90 minutes (plus 10 minutes reading time). The second exam will be held in your normal class 13 October, covering CPA modules 4, 5, 7, 8, 9 and 10 and will be worth 30%.

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.

### **b) Group Assignment (20%)**

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 8 pages (in 12 font with adequate margins and line spacing) and is due for submission at the start of the lecture on 6 October, a soft copy to the assignment should be emailed to the lecturer. The submission will be graded out of 15. 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 12 marks.

In addition, your team will present your major findings on 6 October. This presentation is expected to be no longer than 15 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.

### **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 25 October.

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>

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 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.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.

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<b>Wk</b>	<b>Lecture Date</b>	<b>Topic</b>
1	<b>11 August</b>	Module 1, Assurance Services Framework
2	<b>18 August</b>	Module 2, General audit principles and auditor responsibilities
3	<b>25 August</b>	Module 3, Understanding & Assessing Risk / <b>Video</b>
4	<b>1 September</b>	Revision (modules 1 to 3) and <b>In class Examination</b>
5	<b>8 September</b>	Module 4, Response to Risks
6	<b>15 September</b>	Module 5, Reporting Requirements
7	<b>22 September</b>	Modules 7 & 8, Fraud & Going Concern
8	<b>29 September</b>	Module 9, Performance Audits Module 10, Other Assurance Engagements
9	<b>6 October</b>	<b>Assignment due</b> Presentation of Audit Strategy
10	<b>13 October</b>	<b>In class Examination / Video</b>
11	<b>20 October</b>	Revision (modules 4 5, 7, 8, 9 and 10 - Feedback on examination)
12		CPA exam period commences 25 October

## 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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