

## 6.4 Module 4 Advanced Audit and Assurance

### 6.4.1 Headline information about the module

<b>Module title</b>	Advanced Audit and Assurance
<b>Module NFQ level (only if an NFQ level can be demonstrated)</b>	9
<b>Module number/reference</b>	PGDAFM -AAA
<b>Parent programme(s) the plural arises if there are embedded programmes to be validated.</b>	MSc in Accounting and Finance Management
<b>Stage of parent programme</b>	1
<b>Semester (semester1/semester2 if applicable)</b>	1
<b>Module credit units (FET/HET/ECTS)</b>	ECTS
<b>Module credit number of units</b>	10
<b>List the teaching and learning modes</b>	Full time, part time
<b>Entry requirements (statement of knowledge, skill and competence)</b>	Learners must hold an honours degree of at least a H22 standard in an accounting/finance related field or equivalent qualification from an approved tertiary or professional institution.
<b>Pre-requisite module titles</b>	Not applicable
<b>Co-requisite module titles</b>	Not applicable
<b>Is this a capstone module? (Yes or No)</b>	No
<b>Specification of the qualifications (academic, pedagogical and professional/occupational) and experience required of staff (staff includes workplace personnel who are responsible for learners such as apprentices, trainees and learners in clinical placements)</b>	Qualified to at least master's level in accounting, finance or business equivalent preferably with a professional accounting / finance qualification and a third level teaching qualification (e.g. Certificate in Training and Education).
<b>Maximum number of learners per centre (or instance of the module)</b>	60
<b>Duration of the module</b>	12
<b>Average (over the duration of the module) of the contact hours per week</b>	6
<b>Module-specific physical resources and support required per centre (or instance of the module)</b>	Normal lecture room with internet access and good-quality audio-visual equipment.

Analysis of required learning effort										
Effort while in contact with staff										
Classroom and demonstrations		Mentoring and small-group tutoring		Other (specify)		Directed e-learning (hours)	Independent learning (hours)	Other hours (specify)	Work-based learning hours of learning effort	Total effort (hours)
Hours	Minimum ratio teacher/learner	Hours	Minimum ratio teacher/learner	Hours	Minimum ratio teacher/learner					
60	1:60	12	1:20				178			250
Allocation of marks (within the module)										
				Continuous assessment	Supervised project	Proctored practical examination	Proctored written examination	Total		
Percentage contribution				50%			50%	100%		

#### 6.4.2 Module aims and objectives

On the completion of this module, the learner knows how to apply knowledge, skills and exercise appropriate judgements in the analysis, evaluation and conclusion on the assurance and non-assurance engagement in the context of best practice and current developments in the field. The module enables the learner to understand and apply the underlying laws, regulations and professional standards relevant to the assurance and non-assurance engagement. The learner can appreciate and reflect on the ethical and professional requirements of the accountant and auditor in selecting clients, performing assurance and non-assurance engagements and reporting on these engagements.

#### 6.4.3 Minimum intended module learning outcomes

On successful completion of this module, learners can:

- (i) Appraise the legal, regulatory and ethical framework of the auditor in selecting, performing and reporting on assurance and non-assurance engagements.
- (ii) Design, plan and apply International Standards on Auditing, International Standards on Quality Control and other technical pronouncements to assurance and non-assurance engagements.
- (iii) Identify and formulate the work required to meet the objectives of assurance and non-assurance engagements within a legal, professional and ethical framework.

- (iv) Evaluate results of audit tests and formulate appropriate reports for various stakeholder groups in agreement with terms of reference and the legal, regulatory and ethical framework.
- (v) Discuss and debate the issues and developments facing the auditing profession in the provision of assurance and non-assurance services.

#### **6.4.4 Rationale for inclusion of the module in the programme and its contribution to the overall MIPLOs**

The Advanced Audit & Assurance module increases and develops the learner's understanding of the international framework for assurance and non-assurance engagements and the system of standard setting. This module concentrates on developing the learner's understanding of, and ability to apply, the international conceptual and technical framework for auditing. The module assists learners in the development of their appreciation of laws, regulations, and professional standards relevant to the auditing profession that prepares learners for a career in audit and other assurance and non-assurance engagements in the increasingly global market place.

#### **6.4.5 Information provided to learners about the module**

The Programme Handbook contains the module descriptor and assessment details. Extensive use of the VLE, Moodle, provides detailed notes and additional resources.

In class, learners are provided with a PowerPoint pack, and extensive reading list, incorporating professional and academic sources. Pre-recorded lectures and past exam papers with detailed suggested solutions and marking schemes as a tool for exam preparation are also provided on Moodle.

#### **6.4.6 Module content, organisation and structure**

##### **Regulatory framework**

##### *Laws and regulations*

- Development of auditing, corporate governance and regulation
- International and national statutory and regulatory frameworks governing the responsibilities of company directors and statutory auditors
- Responsibilities of management and auditors in relation to an entity's compliance with laws and regulations and auditor responsibilities in the event of non-compliance
- International efforts to combat money laundering and impact on the auditor

##### *Fraud and error*

- Respective responsibilities of management and auditors for fraud and error and audit considerations regarding identifying and reporting fraud

### *Professional Liability*

- Auditor negligence and the criteria for recognition of legal liability
- Limiting auditor liability and the effect on auditor opinions, and the implications for the auditor and the profession

### *Professional and Ethical considerations*

- Fundamental principles of behaviour and conceptual framework approach
- Code of Ethics for Professional Accountants; threats compliance and safeguards

## **Practice Management**

### *Quality Control*

- Purpose of quality control of audit and other assurance and non-assurance engagements and the Quality Control framework for auditing

### *Advertising, publicity, obtaining professional work and fees*

### *Tendering*

- Considerations and evaluation criteria for submission of tenders
- 'Lowballing' – impact on auditor independence

### *Professional Appointments*

- Considerations and procedures for acceptance and continuation with new/ existing clients for assurance and non-assurance engagements
- Agreeing the scope and terms of an engagement and the Engagement Letter

## **Audit of Historical Financial Information**

### *Planning, materiality and assessing risk of material misstatement*

- Understanding the entity and its environment and identify and evaluate business risk, audit risk, risk of material misstatement in a given assignment and responses thereto
- Define materiality and performance materiality and demonstrate the application of materiality in financial reporting and auditing
- The scope of the internal audit function, outsourcing and internal audit assignments
- Apply audit techniques to not-for-profit organisations

### *Evidence*

- Identify and describe audit procedures to obtain sufficient and appropriate audit evidence from identified sources in given situations and consider the implications of contradictory evidence
- Related parties and related party transactions and impact on audit procedures
- Reliance on third parties; Experts, Component auditors and Service organisations

## **Evaluation and review**

- Misstatement/material inconsistencies identified – courses of action by auditor
- Auditor responsibility for comparative figures, other information in the financial statements, subsequent events and going concern
- Adequacy of disclosures regarding the going concern status of an entity and the implications for the auditor's report

## **Group audits**

- Accepting appointment as principal auditor to a group
- Accounting and auditing problems in consolidations and responses thereto
- Organisation, planning, management and administration of group audits
- Implications of qualified audit reports for one or more group members
- Transnational audits and the implications of applicable financial reporting and auditing standards, listing and corporate governance requirements

## **Reporting**

- Audit reports: Determining the form and content of unmodified and modified audit reports; formulating and justifying an audit opinion in a given situation
- Reports to Management & Those Charged with Governance; content, timing and quality

## **Other Assignments**

### *Audit-related services*

- Audit and audit-related services, and comparative levels of assurance provided by professional accountants
- Form and content of reports for limited and non-assurance engagements

## **Current issues and developments**

- Professional, ethical, corporate governance, social, environmental and integrated reporting developments
- Current developments in business practices, audit practices, auditing standards, emerging technologies, and their potential impact on the conduct and quality of audit and other limited and non-assurance engagements

### **6.4.7 Module teaching and learning (including formative assessment) strategy**

A range of delivery methods are adopted, including lectures, tutorials, case studies, class exercises using a range of professional, academic and non-academic sources as well as formative group work using online tools and more traditional written assignments. These are designed to engage learners in the module content, and associated competencies that the programme wishes learners develop over the course of the module. The module is supported with on-line access to support from the lecturer including lecture videos and quizzes.

#### **6.4.8 Work-based learning and practice-placement**

There is no work-based learning on practice-placement within this module.

#### **6.4.9 E-learning**

E-learning supports are provided via the college's online learning environment, Moodle, including extensive library resources.

#### **6.4.10 Module physical resource requirements**

Normal lecture room with internet access and good-quality audio-visual equipment.

#### **6.4.11 Reading lists and other information resources**

Each learner is provided with a Griffith College *Advanced Audit and Assurance Manual*, updated annually by the lecturer(s).

#### **Secondary Reading**

Manson, S., Gray, I. and Crawford, L. (2015) *The Audit Process: Principles, Practice & Cases* 6<sup>th</sup> ed. Cengage Learning EMEA: London.

International Federation of Accountants (IFAC) (2011) *Guide to Using ISAs in the Audits of Small and Medium Sized Entities* 3<sup>rd</sup> ed. (2 Vols) [Online].

Porter, B., Simon, J. and Hatherley, D. (2012) *Principles of External Auditing* 4<sup>th</sup> ed. Wiley: New Jersey.

Cosserat, G.W. and Rodda, N. (2009) *Modern Auditing* 3<sup>rd</sup> ed. Wiley: New Jersey.

Nolan, M. and Nangle, C. (2018) *External Auditing and Assurance: An Irish Textbook* 3<sup>rd</sup> ed. Chartered Accountants Ireland: Dublin.

#### **Useful Websites**

[www.cpaireland.ie](http://www.cpaireland.ie) - The Institute of Certified Public Accountants in Ireland.

[www.accaglobal.com](http://www.accaglobal.com) – Association of Chartered Certified Accountants

[www.icaireland.ie](http://www.icaireland.ie) – Institute of Chartered Accountants In Ireland

[www.ifac.org/](http://www.ifac.org/) - The International Federation of Accountants.

[www.iasb.org/](http://www.iasb.org/) - The International Accounting Standards Board.

[www.ifrs.org/](http://www.ifrs.org/) - The International Financial Reporting Standards Foundation.

[www.efrag.org/](http://www.efrag.org/) - The European Financial Reporting Advisory Group

[www.iasplus.com](http://www.iasplus.com) - Deloitte Touche Tohmatsu Summaries of International Financial Reporting Standards (IFRS).

#### **6.4.12 Specifications for module staffing requirements**

Lecturer(s) are qualified to at least master's level in accounting, finance or business equivalent preferably with a professional accounting / finance qualification and a third level teaching qualification (e.g. Certificate in Training and Education).

#### 6.4.13 Module summative assessment strategy

Creating and expanding the experience of writing an academic assignment/report is significant as it develops learners' research skills and strengthens presentation skills. The assignment/report is an application of concepts and frameworks to an actual business situation, translating learning into practice. Learners analyse a series of business issues and case studies. Through these scenarios, learners can identify and define problems, analyse financial and non-financial data, exercise appropriate professional and ethical judgement and develop justified conclusions and recommendations.

Initial summative assessment is through an individual case assignment. The final element of the assessment is a closed book examination. The examination will place a strong emphasis on applying theoretical concepts to real scenarios.

The assessed work breakdown can be seen in the table below.

No	Description	MIMLOs	Weighting
1	Individual Assignment on aspects of International Standards on Auditing, the standard setting body, combining theory and a practical element.	i, ii, iii, v	50%
2	Closed book exam	i, ii, iii, iv, v	50%

#### 6.4.14 Sample assessment materials

Please see Sample Assessment Handbook