

**NATIONAL UNIVERSITY OF SINGAPORE BUSINESS SCHOOL
DEPARTMENT OF ACCOUNTING**

ACC 3603 Assurance & Attestation

Instructor:

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Session: Term 2 (2017/2018)

Reference Textbook and Other Resources

- Arens, AA, Elder, RJ, Beasley, MS and Hogan, CE, 2017, *Auditing and Assurance Services* (Global Edition), Pearson. (“Arens et al”)
- Singapore Standards on Auditing
- Ethics Pronouncement 100 (EP 100) the ISCA *Code of Professional Conduct and Ethics*
- Ethics Pronouncement 200 (EP 200) *Anti-Money Laundering and Countering the Financing of Terrorism - Requirements and Guidelines for Professional Accountants in Singapore*

Course Aims & Objectives

This module provides the knowledge and understanding of the audit process required by assurance and attestation engagements. It aims to ensure students acquire the necessary attitude, skills, and knowledge for a career in auditing, in the accounting profession or in business management.

As this is a content heavy module with a strong focus on reading and discussion, students should prepare in advance for each seminar by reading the reading references and answering the questions in the case sets in order to participate actively during seminar discussions.

Prerequisites

ACC1002

Assessment

Case Presentation:	15%
Group Project:	20%
Class Participation and in-class activities:	10%
Final Exam:	<u>55%</u>
	<u>100%</u>

Course Schedule

Week beginning	Week	Activity	Reading References
15 Jan 2018	1	Introduction to Audit and Attestation & the Regulatory Framework: <ul style="list-style-type: none"> • Concept of Audit & Statutory Audit • Regulatory framework & environment • Laws and Regulations Money laundering & financing of terrorism obligations	Arens et al: Ch 1, 2 (structure of CPA firms), 5 SSA 200,240,250, 260, 265 ISCA EP200 (http://isca.org.sg/media/779606/ep-200-aug-2016-clean.pdf)

		Fraud & Error Professional responsibility and legal liability	Companies Act Read the news article on Gaelic Inns v Patrick Lee
22 Jan 2018	2	Auditors Independence & Quality Control <ul style="list-style-type: none"> • Code of Ethics & Professional Conduct • Professional Clearance Procedures & Engagement Letter • SSQC 1 Quality Control 	ISCA EP100 <i>(http://isca.org.sg/media/777626/code-of-ethics-for-isca-code-of-professional-conduct-and-ethics-2015-clean.pdf)</i> SSA 210, 220 SSQC 1 Read article: Enron and Arthur Andersen: the case of the crooked E and the fallen A
29 Jan 2018	3	Audit Planning, Internal Controls & Risk Assessment: <ul style="list-style-type: none"> • Audit Risk Model • Objectives & General Principles of Planning • Obtaining an Understanding of Entity's Business and Internal Controls • Internal Control & Tests of Control <i>(Aspects relating to specific accounts taught under relevant Audit Evidence sub-topics)</i> • Preliminary Analytical Procedures • Assessing the Risk of Material Misstatement 	Arens et al: Ch 6, 8 (except the part on materiality), 9 SSA 300, 315, 320, 330, 450, 520
5 Feb 2018	4	Audit Planning, Internal Control & Risk Assessment (Cont'd): <ul style="list-style-type: none"> • Materiality Level • Audit Strategy and Approach / Assertions • Audit Documentation • Computer-assisted Audit Techniques Audit Evidence <ul style="list-style-type: none"> • Introduction & Types of Audit Evidence 	Arens et al: Ch 6, 7, 8 (materiality part), 11, 12, 13 SSA 230, 300, 315, 320, 330, 450, 500, 520
12 Feb 2018 <i>(16 Feb CNY)</i>	5	Audit Evidence & Internal Control (I): <ul style="list-style-type: none"> • Property, Plant & Equipment • Using the work of others • Inventories 	Arens et al: Ch 19 (PPE part), 21 SSA 501, 505, 520, 540 AGS 4

19 Feb 2018	6	<p><i>Case Presentation: Ethics, Appointment & Property, Plant & Equipment (Case Set 1)</i></p> <p>Audit Evidence & Internal Control (II):</p> <ul style="list-style-type: none"> • Sale • Accounts Receivable 	Arens et al: Ch 14, 16 SSA 500, 505, AGS 2
<i>Mid-term break</i>			
5 Mar 2018	7	<p><i>Case Presentation: Inventories (Case Set 2)</i></p> <p>Audit Evidence & Internal Control (III):</p> <ul style="list-style-type: none"> • Cash & Bank & LT Loans • Related Party transactions and significant transactions outside normal business operations 	Arens et al: Ch 23 SSA 505, 550 AGS 6
12 Mar 2018	8	<p><i>Case Presentation: Sales & Accounts Receivable (Case Set 3)</i></p> <p>Audit Evidence & Internal Control (IV):</p> <ul style="list-style-type: none"> • Wages • Purchases 	Arens et al: Ch 18 (Purchases part), 20
19 Mar 2018	9	<p><i>Case Presentation: Cash & Bank Audit (Case Set 4)</i></p> <p>Audit Evidence & Internal Control (V):</p> <ul style="list-style-type: none"> • Accounts Payable & Equity 	Arens et al: Ch 18 (Accounts Payable part), 22 (Equity part)
26 Mar 2018 (30 Mar Good Friday)	10	<p><i>Case Presentation: Wages (Case Set 5)</i></p> <p>Audit Review & Reporting to Board/Management/Member (I):</p> <ul style="list-style-type: none"> • Going Concern, Contingent Liability & Events After Balance Sheet Date 	Arens et al: Ch 24 SSA 501, 560, 570, 700, 705, 706
2 Apr 2018	11	<p><i>Case Presentation: Purchases & Accounts Payable (Case Set 6)</i></p> <p>Audit Review & Reporting to Board/Management/Member (II):</p> <ul style="list-style-type: none"> • Finalisation & Audit Report, 	SSA 580, 700, 701, 705, 706, 720 AGS 1

		<ul style="list-style-type: none"> • Management Representation Letter • Communication on Internal Controls to the Audit Committee (Management Letter) <p><i>Project Submission during lessons</i></p>	
9 Apr 2018	12	<p><i>Case Presentation: Closeout Procedures/GC/PBSE (Case Set 7)</i></p> <p><i>Case Presentation: Audit Report (Case Set 8)</i></p>	
16 Apr 2018	13	<p><i>Group Project Presentation</i></p> <p>Group Audits</p> <p>Review engagements for interim financial information and historical financial information</p>	SSA 600, 610 SSRE 2400, 2410
(Mon) 30 April 2018 1:00 pm		Final Exam (closed book with one A4-sized double-sided cheat sheet)	

Group Project

More details would be announced later. Tentative dateline for submission of the project will be during the week beginning **2 April 2018** during the classes.

Case Sets & MCQ For Self-Practice

The Case Sets provide a practical illustration of the application of theoretical principles (taught in weeks 1 to 4) on practical scenarios, e.g., the audit of individual accounts (which will be taught in subsequent weeks). As such case presentations will only begin from week 6. Prior to that, MCQ self-practice questions for topics taught in weeks 1 to 4 will be uploaded to IVLE. Students are advised to go through them to enhance their understanding of the topics taught.

Instructions on Case Presentations

A written submission (ppt format) is required for each group assigned to present a case set. Each presentation is not to exceed 35 slides. Marks would be deducted for presenting more than necessary required to answer the questions.

The written submission is to be emailed to bizchum@nus.edu.sg **by the preceding Saturday 12 noon. 5% marks deduction would be made for late submissions.** The presentation must be consistent with the written submission.

The focus on the presentation is on the technical content – 10 marks (correctly identifying accounting issue, audit issue and audit procedures as required in the case), 1 mark for organisation of the presentation and 4 marks for presentation and Q&A ability.

Please restrict your presentation to within 30 minutes and focus on application to the case.

Any intention to make a submission for peer review should be made as soon as possible. The last date where such a submission may be made is **16 April 2018**. Submissions beyond this date will not be entertained.