**Auditing and Assurance Services**

**Semester 2, 2024**

**INSTRUCTIONS FOR THE INDIVIDUAL CASE STUDY ASSIGNMENT**

**(Assessment Task 1 - Written report)**

**Case study**

The Chief Audit Officer of Australian Securities & Investments Commission (ASIC) has appointed you to critically examine the Auditors’ opinion in the **“Independent Audit report”** and **importantly focus on** the **“Key Audit Matters”** of a high-profile international company’s latest Annual Report.

**Required:**

You need to use **Risk-based auditing approach,** **auditing concepts and auditing methods** learnt in this unit to conduct this investigation and report on the **major issues** reported, particularly in the **Key Audit Matters** by the Auditor, such as:

* *Valuations*
* *Goodwill*
* *Inventory*
* *Capital assets*
* *Financial instruments*
* *Estimations*
* *Leases*
* *Going concern*
* *Internal control*
* *Corporate governance*
* *Business risks*
* *Corporate strategy*
* *Risk management systems*

The above list is **illustrative only** and your case study report is **NOT required** to address all the above-mentioned topics. You can include other topics of this unit, as related to the company assigned to you for investigation and then derive your conclusions and recommendations.

For this purpose, you need to use **Australian Auditing standards and case laws** and other information which you have learnt in this unit, such as:

* ***ASA 315 - Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment***
* ***ASA 320 - Materiality in Planning and Performing an Audit***
* ***ASA 330 – The Auditor’s Responses to Assessed Risks***
* ***ASA 560 - Subsequent Events***
* ***ASA 570 - Going Concern***
* ***ASA 700 - Forming an Opinion and Reporting on a Financial Report***
* ***ASA 705 - Modifications to the Opinion in the Independent Auditor’s Report***
* ***ASA 706 – Emphasis of Matter Paragraph and Other Matter Paragraphs in the Independent Auditor’s Report***

***AND***

* ***APES 110-Code of Ethics for Professional Accountants***

**Important:**

The above list again is **illustrative only,** and your case study report is **not required** to address all the above-mentioned auditing standards. You can include other auditing standards covered in this unit, as applicable to this company. Please use the **Australian Standards of Auditing (ASA)** even if they are **NOT** Australian companies, as they are based on **International Standards of Auditing (ISA)** in order to derive your conclusions and recommendations.

**Report structure**

Please ensure that the **individual written report** of your allocated companyhas the following **six (6) main headings** in its structure. Marks will be given specific to these main headings as per the **Marking Criteria** below:

* ***Executive Summary***
* ***Introduction***
* ***Methodology***
* ***Findings***
* ***Implications of findings***
* ***Conclusions and recommendations***

**Marking Criteria**

The Marking Criteria for the **individual written report on the allocated company** is:

* Report Conventions : **5.0 Marks**
  + ***Executive Summary***
  + ***Introduction***
* Research : **5.0 Marks** 
  + ***Methodology***
  + ***Findings***
* Application : **5.0 Marks**
  + ***Implications of findings***
  + ***Conclusions and recommendations***
* Written Communication Skills : **5.0 Marks**

**Total**  : **20.0 Marks**

**Resources**

Please refer to the resources mentioned in Canvas by clicking on:

* **Syllabus > Textbook & readings** > Gay & Simnett (2018) 7ed
* **Modules > Significant readings and journals and Important websites:**
* Australian Auditing Standards – Auditing & Assurance Standards Board – Australian Government:

<https://www.auasb.gov.au/Pronouncements/Australian-Auditing-Standards.aspx>

* APES - Code of Conduct for Professional Accountants:

<https://apesb.org.au/standards-guidance/apes-110-code-of-ethics/>

* Company annual reports, websites, professional & business magazines, textbooks; academic papers, newspapers and video clips.

Please research the information and develop its logical flow, as it will also assist you in structuring this case study report.

**Value:** 20%

**Individual or Team:** Individual

**Word limit:**  12 pages (+/- 2 pages) in **Word format** using Ariel 12pt font 1.5, ***excluding***any Appendices (for data, tables, graphs and diagrams) and references at the end in **Word format**

**Unit Learning Outcomes:**

* Apply audit concepts, techniques, relevant rules, and regulations addressing auditing standards
* Examine auditing scenarios to identify problems, including ethical issues related to the code of conduct of professional accountants
* Appraise the audit process to arrive at the auditors’ opinion on corporate financial statements
* Collaborate in team settings using effective communication, in oral and written format, to produce reports involving diverse auditing scenarios

**Course Learning Outcomes:**

**PGCLO3:  Demonstrate effective communication and teamwork skills [AQF9: S4, S5]**

* PGCLO 3.1. Demonstrate effective written, oral and non-verbal communications skills

Resources

* Official website of Individual and Team Case Study company
* Textbook - Gay & Simnett (2018) - 7ed.
* Australian Auditing Standards website
* Significant references and journals
* Important websites