



UNIVERSITY OF SOUTH AUSTRALIA
Business School OUA Unit

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ACG31 (SP 1, 2016)

OPEN UNIVERSITIES AUSTRALIA

Auditing theory and practice

ASSIGNMENT BOOKLET

CHRIS KANDUNIAS

ASSIGNMENT 1 - 10%

Due Date Sunday 10th April 2016 11:00pm Adelaide (Central Standard) time.

Word Limit – 1,000 words excluding title page, reference list and appendices

(Penalties will be applied if the assignment exceeds 1,100 words)

ASSIGNMENT 2 – 30%

Due Date Sunday 8th May 2016 11:00pm Adelaide (Central Standard) time.

Word limit – 2,000 words excluding title page, reference list and appendices

(Penalties will be applied if the assignment exceeds 2,200 words)

BACKGROUND INFORMATION

Dick Smith Holdings is a retail company operating in Australia. For more company information and annual reports see: <http://dicksmithholdings.com.au/investor-centre/>. You will be required to assess and analyse Dick Smith from an **auditing** perspective, in the period leading up to reporting period ending on **31st December 2015** (for the purposes of this assignment, please assume Dick Smith's fiscal year is 1/1/20XX-31/12/20XX), thinking what could possibly go wrong that might affect the reliability of the financial reports.

The Internet is a valuable source of information for obtaining background information on a client, as well as the UniSA Library databases (eg EBSCO/ProQuest) available on the UniSA library link on the Unit Homepage. The link to the UniSA/OUA Library HomePage is here: <http://www.library.unisa.edu.au/Default.aspx>. You are encouraged *strongly* to use the Internet and other media to assist you in collecting further information relating to Dick Smith. To do well in the assignment, it is expected that you will undertake research on the entity beyond merely Dick Smith's homepage and their annual reports.

Important Note to Students

- The focus of this assignment is to illustrate the importance of planning the audit of a public company. Dick Smith as a live case provides students with the opportunity to experience more 'real' issues in the planning of an audit.
- You will focus on collecting information relating to Dick Smith in the period leading up to December 31st 2015 (as a general guide, you should focus your identification of appropriate information in the period 1st July 2014 onward for issues that will affect the planning of the audit for the period ended **31st December 2015**). The

period has been set to give students as large a period as possible to collect potential issues/events which impact on the preparation of the reports for Dick Smith. Remember, you are not conducting an audit – you are using Dick Smith to gain an understanding of the mechanics of preparing for an audit of the entity.

- The objective of this assignment is to illustrate the nature of auditing – as all topics are connected in some way. The identification of relevant **events** in assignment 1 is relevant to the identification of **inherent risks** in assignment 2, as events often give rise to risks. It is this integration of the topics that makes auditing unique.

- This ‘live’ case is only being used to illustrate the importance of planning an external audit. Again, please do not assume that this is a first time audit of Dick Smith – you are to use the Dick Smith case like an auditing training tool rather than undertaking the audit of Dick Smith yourself.

- **Academic Integrity:** Please be aware of the dangers of plagiarism – we use Turn-it-in software and it is VERY reliable. Please refer to the discussion on academic integrity on the Unit website – if you are caught and found responsible you will, as a minimum, score zero for a piece of assessment.

- **The audience:** Your reader is an experienced auditor with specialist knowledge of the issues assessed in this assignment. Therefore you do not need to restate questions in your own words. The audience will gauge your understanding of the material through what has been submitted.

DICK SMITH HOLDINGS – ASSIGNMENT 1 (AUDIT PLANNING CASE STUDY): Due Date Sunday 10th April 2016 11:00pm Adelaide (Central Standard) time.

REQUIREMENTS/QUESTIONS:

(a) From your research, identify four (4) issues or events (accounting or otherwise) that may have an impact on the planning of the audit of Dick Smith for the reporting period ending 31st December 2015.

HINTS: Students should use initiative in answering this question.

- Remember auditors are trying to find conditions or events that might give rise to material misstatement. Whilst not necessarily related to Dick Smith, ASA 315 provides some examples of common conditions and events that may indicate the existence of 'risks of material misstatement'. Please go to Appendix 2 of ASA315 of your Auditing Handbook for a broad categorisation of possible events or conditions that might possibly apply to Dick Smith. Please be warned however that you **MUST** demonstrate clearly (with substantive research evidence that is appropriately referenced) that an identified issue relates specifically to Dick Smith and the planning of its audit.
- Inclusion of evidence of research is critical. Do NOT merely use information from the company's financial reports – to score well you must find independent research evidence to support the issue. Better quality research = better quality marks.
- Be sure to use in-text referencing (see Harvard Referencing Guide on the Unit Website).
- Check your assignment carefully for typographical and grammatical errors.

(4 x 10 = 40 Marks)

(b) State what audit evidence you would gather in order to gauge the issues identified in part (a) above, for inclusion in the planning strategies for the audit of Dick Smith.

HINTS: When auditors identify conditions or events that give rise to the risk of material misstatement, they design information (evidence) gathering procedures in order to establish whether or not the identified risk exists and may result in material misstatement in the financial reports. This question is asking you to use your 'best judgement' to identify relevant audit evidence you might seek in the audit of Dick Smith. All the different types of audit evidence that might be referred to, is shown in paragraphs A10 to A25 of ASA 500. The challenge for students is to make the evidence gathering activities SPECIFIC to the risks you identified in part (a) above. We do not expect you to know EXACTLY what documentation etc you would find at Dick Smith, but you should be able to identify documents or records or information you would look at and/or people you would speak to, from your experience and studies in the Unit. Broad brush answers (eg "look at sales documents for evidence of unusual sales") will not be sufficient. Think about the specific information you might seek in a real world situation. Where appropriate, be sure to use in-text referencing.

(4 x 5 = 20 Marks)

PRESENTATION, USE OF APPROPRIATE REFERENCING CONVENTIONS, GRAMMAR AND SPELLING

Refer to the marking guide contained in appendix four and guidance notes in Appendix 2
Good referencing and presentation is important *(10 MARKS)*

TOTAL MARKS FOR ASSIGNMENT 1 (Representing 10% of the overall grade for the unit)
(70 Marks)

**ASSIGNMENT 2 (2,000 WORDS): DUE DATE SUNDAY 8TH MAY 2016
11:00PM ADELAIDE (CENTRAL STANDARD) TIME.**

REQUIRED:

1. Identify what you consider to be the 'key' inherent risk factors that could have an impact on the audit of Dick Smith for the year ended 31st December 2015 and/or future audits.

For *each* of the inherent risk factors identified, describe the risk clearly and state how and why you consider the issue may create the risk of potential *material misstatement* in the financial statements of Dick Smith for the year ended 31st December 2015 and beyond. You are expected to identify five (5) critical inherent risks.

HINT: To score well in this assignment you will be required to research the Internet, Dick Smith's financial results, the financial press, and other business media to obtain a better understanding of the inherent risks. You may use and expand on some of the relevant issues you identified in assignment 1 to discuss the nature of the apparent risks.

(5 x 12 = 60 Marks)

PRESENTATION, USE OF APPROPRIATE REFERENCING CONVENTIONS, GRAMMAR AND SPELLING – 10 MARKS

Refer to the marking guide contained in Appendix four and guidance notes in Appendix 2.

(10 Marks)

TOTAL MARKS FOR ASSIGNMENT 2 (Representing 30% of the overall grade for the unit)

(70 Marks)

The above should be read in conjunction with the guidance notes, in the appendices at the back of this assignment booklet.

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APPENDIX ONE:

LODGING THE ASSIGNMENT

In relation to the **both** assignments, students will need to submit their assignments individually. Students **cannot** submit group assignments in this Unit.

Please ensure you submit by the due date 11:00pm Adelaide time. Do not leave it until the last 30 minutes to try to upload your assignment on Learnonline. Assignments cannot be accepted via email to the coordinator. Assignments submitted after 11:00pm will be considered as submitted late and normal late penalties will apply for late submission. Again, don't leave it until the last minute to submit. The reason the due date is Sunday night is to give students all weekend to finalise their assignments, not the give students all weekend to start the assignment.

APPENDIX TWO: ASSIGNMENT GUIDANCE NOTES

Guidance notes for Assignments

Word limits

Please include the number of words in your assignment on your title page. Assignments should be presented in a succinct business-like writing style and you should avoid repetition and irrelevant information. As a broad guide, assignments 1 and 2 should absorb no more than 1,000 and 2,000 words respectively, though the assignments can be completed in fewer words. Quality of the information presented will, however, be the important factor rather than quantity. Penalties will be applied if you exceed the upper word limits (1,100 for Assignment 1 and 2,200 for Assignment 2); the application of penalties is at the discretion of the unit co-ordinators and will reflect the amount of the word limit exceeded – eg if you exceed the upper word limit by 10% you will receive a penalty of 10% of your mark.

The following are EXCLUDED from the word limit calculation:

- Title Page
- Reference list
- Appendices
-

The following are INCLUDED in the word count

- In-text Referencing
- Sub-headings

Late lodgement Penalties

Late lodgement penalties of 10% of the maximum mark for each **calendar day (including weekends)**, or ANY PART thereof if an assignment is lodged at any time after the due date and time. This is applied rigidly to ensure that ALL students are treated equally and equitably and that no-one receives an unfair advantage. As such please do not leave it to the last minute and think you can lodge 'a few minutes' late and avoid a penalty.

Objectives of the assignments

Having completed the assignments, students should be able to:

- Identify risk factors facing the auditor and understand the impact on audit procedures and the collection of audit evidence;
- Apply accounting knowledge (lifelong learning skills) in identifying the risk of errors in financial reports;
- Use the skills they have learned in previous units to think critically about the quality of information.
- Exercise judgment and learn about the investigative nature of audit tasks.
- Apply theory to a simulated real world case.

Further—the assignments are designed to contribute to your development of following graduate qualities, though the emphasis is on GQ's 1, 3, 4, and 6.

#1 – Operating effectively with and upon a body of knowledge....

This is a simulated real world case that requires the application of your prior learning to test your ability to apply principles to the case at an appropriate depth of understanding.

#2 – Is prepared for life-long learning.....

Once again, the solution to this case will not appear in the texts for this unit. It is expected that you will be able to think creatively and practically, realising that each audit client will be unique, requiring different approaches to solving business issues or planning an audit. In other words, a lifelong learning skill is that there is no 'cook-book' that gives the right answer, and the real skill is examining the information, applying general principles, undertaking research and developing practical solutions.

#3 – Is an effective problem solver, capable of applying logical, critical, and creative thinking....

Once again, the answers to the case will not be found in a text book. You need to take on the role of business analyst so that you can identify, from an audit point of view, the critical areas for focus in the gathering of evidence. This takes creative thought, and logical but critical thinking.

#4 Can work both autonomously and collaboratively...

Students need to show they can use initiative and undertake work in an autonomous manner. Working as an individual is rewarding as you are responsible for the assignment input, and will reap the benefit of having covered all areas. We encourage you to discuss the issues with your colleagues but do not collaborate when submitting your work for assessment.

#5 Is committed to ethical action and social responsibility...

We have included this real world case so that you may gain an appreciation of the work undertaken by an auditor in planning an audit. As the next generation of professional accountants, it is our aim that you will have a better appreciation of what is required in planning an audit and gain an understanding of the theory in a practical environment.

#6 Communicates effectively....

Your report will be assessed for structure, professional presentation, language and content. Case analysis assists in developing logical thought processes which should translate to written and oral communication skills.

#7 Demonstrates an international perspective

Specifically addressed in this assignment; the entity under consideration has international exposure.

Students are provided with the opportunity to research information relating to a real world entity. The issues raised are from real-world situations and require application of accounting knowledge and auditing theory. Many students find assignments based on the real world difficult because many of the issues confronting them are practical and, therefore, unfamiliar. The following notes are intended to help you structure your responses and also indicate how marks will be awarded.

ASSIGNMENT 1 BROAD GUIDANCE NOTES

Question (a)

You are required to identify four (4) issues and/or events, accounting or otherwise which may impact on the planning of the audit of Dick Smith. They may, for example, relate to the ability of the entity to continue as a going concern; the risk of material misstatements in the financial reports; impacts of industrial economic or international markets that are specific to Dick Smith and supported by your research; or perhaps the possibility of incentives for management to misstate information contained in the financial reports. ASA315 Appendix 2 will provide some further insight into the types of broader issues that may raise the risk of misstatement.

Each event **MUST** link to the planning of the audit. For example, you may find information related to the reducing of costs in a specific segment. This is an accounting issue which is allowed for this question – however, the discussion of this event/issue must be in terms of how this issue/event then relates to the planning of the audit. It can be any aspect of the planning stage of the audit – collection of evidence, determining the type of evidence, determining the impact on any of the risk components in the audit risk model. As long as it relates to the planning of the audit and it is clear in the discussion that there is a link to the planning of the audit. It is always easier to establish this link by trying to link your discussion to a specific section of the Auditing Handbook. You may try to link it to one of the key standards in ASA500, ASA220, ASA240, ASA315 and ASA570. This is where planning becomes a key part of your strategy. Give yourself time to become familiar with the question, what it is asking you to do and how to address it based on the guidance given in these appendices.

The issues can relate to any aspect of the planning of an audit – ie they can relate to assessment of inherent risk, business risk, control risk, the ability to collect sufficient evidence to form an audit opinion and the assessment of business risk to name a few. This list is not exhaustive – focus on any issues you believe to be relevant to the planning of the audit of Dick Smith and/or the collection of sufficient evidence to form an opinion in relation to the financial reports of Dick Smith. Remember Dick Smith is a real world entity. INDEPENDENT research is required on the entity to complete this assignment. You must also use in-text referencing as evidence of the research.

You are required to use research outside of the Dick Smith website – for example, online newspaper sites and library databases (using their newspaper or serial directories – eg ProQuest), ASX announcements, business news websites etc. External and independent websites are a rich source of information because they provide an independent assessment of the entity. Focusing on Dick Smith's website may mean you do not identify the key issues impacting on Dick Smith for the period in question as you are only obtaining the news Dick Smith want released and in the way they would like it received.

You need to be as *specific as possible to Dick Smith* in the identification and explanation of the issues or events – the more detail you provide the easier it is to see how the issue directly relates to the planning of the audit. Broad general statements and discussion will not accrue many (if any) marks.

For example, you might find an article which says that 150 staff had their jobs terminated because they were stealing from the company. This would help you with discussion of issues or events in that it appears that certain types of assets may be susceptible to fraud and theft, and there may be some concerns about the company's control environment. Events identified in this assignment can relate to any aspect of the planning of the audit.

Please note: Students cannot use termination of jobs, job cuts, redundancies as one of the 4 events/issues for assignment 1. No marks are awarded to a discussion of issues related to the termination of jobs or staff redundancies or the like.

You can discuss issues related to control risk, materiality, acceptable audit risk, evidence mix, and planned detection risk. The key thing is that you need to provide a brief explanation as to how the information will impact on the planning of the audit.

A simplified example of how to set out your answer to this question is provided in this appendix (see below).

Please note that this question will take some time to complete. It is therefore advisable that you do not leave this to Week 4 to begin. As always, you are welcome to post questions on the Assignment 1 Discussion Forum before submitting. If you leave it to the last minute, it is unlikely you will receive the assistance that you require to complete the assignment.

The first assignment requires students, as a minimum, to look at topics 1 – 3 to be able to successfully complete the assignment. However, the assignment does relate to all aspects of the planning of the audit. Hence, students can discuss issues related, for example, to the internal control structure in assignment 1 even though the topic relating to internal control will not have been covered before the due date of the assignment. With this in mind, it is important to note that students are not required to discuss any issues in the planning stage relating to topics taught after the due date of the assignment. Students can still score a very high mark by focusing on the issues related to the first three topics in the Unit. Students may also find the first assignment a little less challenging if they read ahead and apply some of the subsequent theory to the first assignment.

IMPORTANT: The announcement of profits/losses and forecasts; and dividends and payment of dividends by Dick Smith (irrespective of magnitude) does not constitute an issue/event of significance and will not accrue any marks. We require you to research the company and identify specific issues or events (other than the announcement of financial results) which will assist in the planning of the audit. This part of the assignment may prove to be time consuming – do not underestimate the time needed to complete this question. Once again, don't start researching the entity on the weekend before the assignment is due as you will most likely run out of time!

A common mistake made by students (especially if they are running out of time to complete the assignment) is to simply use the annual reports and the entity's website to identify key events. This information may be used to assist in your research of the issue but should not be the sole source. It is therefore important to go beyond the annual report and the entity's website to identify events of significance that impact on the planning of the audit.

Question (b)

Having identified 4 issues in part (a), you are now required to identify evidence that the auditor would collect to assess the issue that has been identified. For example, if an issue identified was that 150 staff had just lost their jobs, examples of the evidence to be collected might be the to collect details of the amount of employee entitlements paid to those who had lost their jobs; a review of redundancy liabilities outstanding at balance date; a closer review of leave provisions and payments during the year; and the issue of a solicitor's letter to determine if there is any litigation from disgruntled employees for wrongful dismissal. Evidence is easier to identify if you focus on documentary evidence specifically related to the issue identified in part (a). The more specific you are in your discussion in part (a), the easier it will be to answer part (b). Conversely, general discussion in part (a) will make it very hard to answer part (b).

Evidence: While you are not required to design specific audit tests you are required to explain what actions you would take and information (evidence) you would obtain about the areas of concern you have identified so you can plan detailed audit procedures. Ensure that the factors identified relate *directly* to the entity. ASA500 contains the different types of evidence that can be gathered by an auditor. Once again, do not use the example above relating to staff redundancies and the like as an event in assignment 1.

THIS IS A BROAD AND SIMPLIFIED EXAMPLE OF HOW TO SET OUT YOUR ANSWER TO ASSIGNMENT 1:

EVENT 1: [Event Date] – The Australian Government has introduced live export welfare regulations and it is expected that it will have a significant impact on the live export industry and the company (**include in-text reference here**). The data attached show the statistical evidence of the predicted impact on the industry (refer to *appendix xxx, containing appropriate references*). The direct impact on Company X as revealed in a recent article (**insert in-text reference**) has resulted in the company's intention to close a number of branches...

Discussion

Company X's plans to close a number of branches:..... (*again, this has been assumed for illustrative purposes only*).

The financial position of Company X will be affected by the closure of branches which may result in staff redundancy and significant impact of asset impairment in the following areas:..... (Provide relevant data and references here from your research).

Evidence

It is likely that the redundancies will have an impact in the following way: Potential litigation, adequacy of leave provisions, disclosures, Asset impairment issues (provide detail.....) In order to assess the impact of staff redundancy the following evidence will be obtained in the course of the audit – (examine enterprise agreement or employment contracts, review leave provisions in detail, send confirmation letter to lawyers regarding possible litigation for wrongful dismissal): In order to assess the nature of any asset impairment the following evidence will be obtained.....

The auditor will also undertake closer examination of the following subjective or complex accounting areas to ensure proper accounting and recording.....:

(Student would list relevant accounting areas here, and provide appropriate reference(s)..... .)

IMPORTANT: Please ensure your work is referenced using the Harvard referencing system (copy of the requirements are included on the ACG 31 website). The events identified in assignment one must be referenced in accordance with the University of South Australia referencing guidelines at:

<https://lo.unisa.edu.au/course/view.php?id=3839>

PRESENTATION: 10% of the overall mark for both assignments has been allocated to assessing your presentation skills. This will be based on the following:

- Effective compliance with research conventions- Correct In-text referencing/properly formatted reference list/appropriate citations etc
- Expression and grammar
- Organisation and layout
- Ability to identify and present KEY issues logically and clearly.

A significant aspect of the presentation mark is allocated to the presentation of referencing. We cannot understate the importance of correct referencing. Any ideas which are those of someone else, or any direct quotes from another source must be adequately referenced to avoid potential problems with academic misconduct.

Once again, we refer you to the *Unit Outline* in relation to the submission guidelines for the assignment. Students who do not follow the submission guidelines will be required to re-submit their assignment to the Unit coordinators. Your assignment may not be marked if you do not follow the guidelines.

ONE FINAL COMMENT

You are not submitting an essay. The assignment is split into two questions – please make sure you answer them as two separate questions. There is no need for an introduction, a synopsis, a conclusion or summary for assignment 1. You are asked two questions – answer them and make sure you use headings to indicate when you are answering question 1 and then question 2.

There is no need to discuss the theory – explaining why it is important to plan an audit by referring to the theory in the textbook is not required. **Restating the question is also not required.** Remember, the markers are the ones who have created the assignment and are well aware of the questions being asked. Focus on actually answering the question, not just restating it in your own words. Your audience are experienced practitioners so there is no need to provide an explanation of the theory – apply the theory in answering the assignments.

ASSIGNMENT 2 BROAD GUIDANCE NOTES

Question 1

Identify what you consider are the inherent risk factors which would impact on the audit of Dick Smith. You are encouraged to use financial information relating to Dick Smith and the industry in which it operates for the period in question. Once again, simply discussing the announcement of profits, budgets or dividends or revised financial forecasts, of themselves, is not considered a major event or an inherent risk and this will not accrue any marks if identified and discussed as inherent risks. Non-financial information can be a goldmine which can assist you in identifying potential inherent risks by giving you clues as to what to research.

Be careful to answer the question – that is, it asks what are the “inherent risk factors”. You should be clear about what “inherent risk factors” mean. Another term often used is “areas of concern”. Overall these terms mean what areas of the financial statements are there likely to be risks of material misstatements (which might ultimately impact on the auditor’s opinion and report). Specifically, the information may lead you to think that some areas may have an error (mistake) or fraud in them as a direct result of certain events or issues that the company has experienced or may experience. Your task for *this* assignment is to identify that information and **how and why** it may present a possible risk of material misstatement in the financial reports.

Further, you will need to clearly explain why and how you have arrived at each risk factor. Simply stating information without applying it to a risk factor will not attract any marks.

How you set out the answer to question 1 is up to you, but you must clearly address all three aspects of the question:

1. **What** is the inherent risk? (A simple explanation will suffice for this part of the question).
2. **Why** is it an inherent risk? (To do this, you need to explain and give an example of a **specific** misstatement that could occur if this risk is present in Dick Smith). Do not simply state “this will cause potential misstatement” or ‘this may result in fraud’ or ‘the directors will misstate the financial statements’. You must provide a **specific** example of a potential misstatement that could occur. This is not as easy as it sounds. The potential misstatement must be specifically related to Dick Smith and be both reasonable and plausible.

There has been significant discussion of Dick Smith (and the events impacting on them) in the financial press in the last 6 months. This should provide you with a wealth of information to use to answer the questions in the assignment. Identify what you consider to be relevant (and specific) inherent risk factors that will impact on the planning of the audit for the reporting periods ending on or after 31st December 2015. You may find that some of the information could be relevant for more than one reporting period. The UniSA library has an excellent serials database within EBSCO Host <http://www.library.unisa.edu.au/services/oua/> . Students are not expected to

explain the theory applicable for this assignment. For example, the definition of inherent risk does not need to be explained. Likewise, a discussion of why it is important to identify major events in the planning of an audit is not required. Students should focus on *applying* the theory to a practical environment.

You may use 'bullet points' or a table format in answering this question, but correct and adequate sentence structure must be adhered to, in addition to referencing protocol.

As a general example, you might find an article which says that 10% of staff had their jobs terminated due to a restructure of the entity. This may be an inherent risk because terminations normally involve the calculation of employee entitlements which are complex in nature and the need to create provisions for employee redundancy. Hence, there is a greater chance that there will be calculation errors due to things such as eligible termination payments, and leave entitlements. You must provide specific examples of potential misstatements that could occur in the financial reports. **(Once again, this example cannot be used as one of the risks identified in your submission – zero marks will be awarded to a discussion of this as an inherent risk).**

Please note that this question will take you a bit of time to complete. It is therefore advisable that you do not leave this to the last minute to begin. As always, you are welcome to post questions on the discussion forum before submitting. If you leave it to the last minute, it is unlikely you will receive the assistance that you require to complete the assignment. It is reasonably expected that students will have good research skills so we will not be providing research hints for you.

IMPORTANT: The announcement (or subsequent payment) of profits/losses and forecasts or dividends and information about profit forecasts by Dick Smith (irrespective of magnitude) does not constitute an inherent risk of significance and will not accrue any marks. We require you to research the company and identify *specific* Dick Smith inherent risks which will assist in the planning of the audit. We expect you to research the entity by going *beyond* the annual report and the homepage.

As in the first assignment, a common mistake made by students (especially if they are running out of time) is to simply use the annual reports and the entity's website to identify key inherent risks. It is easy for us to see that you have not made the effort to undertake independent research to support your work and your marks for the assignment will reflect this.

<p>IMPORTANT: While independent research is required you will still need to reference any information you have used from the Dick Smith Holdings annual reports. Specifically, you will need to reference the information back to the relevant pages in those annual reports. Failure to do so could result in problems with plagiarism and charges of academic misconduct.</p>
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PRESENTATION

10% of the overall mark for the assignment has been allocated to assessing your presentation skills. This will be based on the following:

- Effective compliance with research conventions- Correct In-text referencing/properly formatted reference list/appropriate citations etc
- Expression and grammar
- Organisation and layout
- Ability to identify and present KEY issues.

A significant aspect of the presentation mark is allocated to the referencing of your work where you have used other sources. We cannot understate the importance of correct referencing. Any ideas which are those of someone else, or any direct quotes from another source must be adequately referenced to avoid potential problems with academic misconduct.

Once again, we refer you to the *Unit Outline* in relation to the submission guidelines for the assignment. Students who do not follow the submission guidelines will be required to re-submit their assignment to the Unit Coordinators. Your assignment may not be marked if you do not follow the guidelines.

APPENDIX THREE: FREQUENTLY ASKED QUESTIONS & HINTS

Q: Am I allowed to combine two parts in answering questions?

A: NO. There are distinct questions being asked in the assignments. We therefore require you to answer each question **SEPARATELY**. For example, in assignment 1, you should not combine questions (a) and (b) and answer them together. For presentation purposes it would be advisable to include the discussion of the issue/event from part (a) and then discuss the evidence in part (b) immediately after rather than answer all part (a) and then all part (b).

Q: Can I use a table in answering questions with different parts?

A: YES

Q: Do I have to have an introduction and an executive summary?

A: NO. You are NOT required to have an executive summary, an introduction or conclusion. You won't lose any marks but it will absorb words. Although presentation is important, we are more concerned with ensuring that students have addressed the requirements of each question. This means you do not need to present the assignment as a report or in an essay format.

Q: Do I have to reference the financial statements?

A: NO. Once again, we remind you of the importance of referencing. Any information gained from a source **must** be referenced in the body of the assignment and the source needs to be included in your reference list. If you are not sure about your referencing, it pays to ask the Unit co-ordinators before submitting. When referencing financial statements the page number is critical.

Q: Can I use Wikipedia?

A: NO. This is a 3rd year unit so hopefully this would be asked with decreasing frequency, and I am sure you have already heard this but it is still important to remind you that the Wikipedia website contains information which has not been verified by an independent third party. Contributions to the website can be made by anyone without the need to verify this information. To this end, information contained on the Wikipedia website may not necessarily be accurate. Therefore, we discourage the use of Wikipedia as a reliable reference resource. At most, it can be used as a starting point for researching an entity, however you must then seek a secondary credible website to verify the information obtained through Wikipedia.

Q: Can I identify one event from the research and then cover two or three risks using that one event?

A: **NO.** Risks relevant to one event can only be used for one of the four risks.

Q: Are footnotes and in-text referencing included in the word count of both assignments?

A: YES.

APPENDIX FOUR: ASSIGNMENT FEEDBACK SHEET/MARKING SCHEDULES

To assist students in answering the assignments, a marking schedule has been included in this assignment booklet. Please take some time to read through the marksheet as this will give you a good idea of what the markers are looking for when marking the assignment. Please take note of the focus on requiring you to provide specific answers in the assignment. **The more explanation you can provide which is specific to the entity, the more likely you will score well in the assignment.** We are looking for an application of the theory to a simulated real world case study – broad discussion does not indicate that the theory has been applied in a practical situation. The effect (by way of potential misstatement) **MUST** be specific to the entity – examples of potential misstatements should be identified when answering questions. **Broad, generic answers will not be rewarded with any marks.**

IMPORTANT NOTE RELATING TO SUBMISSION REQUIREMENTS

If you do not follow the submission requirements you will be required to amend and resubmit your assignment to have it eligible for assessment. Plagiarism issues will be immediately directed to the Academic Integrity Officer.

ASSIGNMENT 1 Marking Schedule

ACG 31 Auditing Theory and Practice
University of South Australia
School of Commerce

	MARKER'S COMMENT	MARKS AWARDED
<p>a. Identifying 4 issues (40 Marks) Issues specific to Dick Smith and relate to the planning of the audit or accounting issues.</p> <p>Discussion of the issues:</p> <ul style="list-style-type: none"> - Clear identification of the issue(s) identified - Issue(s) too general? - Linking of the discussion to specific comments about the audit significance of the issues? - Four relevant issues covered? - Has independent research been used effectively? 		/40
<p>b. Identifying of evidence (20 marks) Evidence is specific and detailed explanation provided Evidence too broad? (broad discussion will not accrue any marks)</p>		/20
<p>c. Presentation (10 Marks)*</p> <ul style="list-style-type: none"> - Compliance with Harvard referencing guidelines <ul style="list-style-type: none"> -- Reference list compliant? -- In-text referencing compliant? - Grammar and English satisfactory? - Good presentation? - Adherence to submission guidelines as outlined in the Unit Outline and Assignment Booklet. 		/10
<p>d. Word Limit Penalty? Assignment words > 1,100? If yes – penalty applied = % Excess words x mark achieved</p>	<p><u>Words > 1100=.....</u> <u>Excess Words %.</u></p>	()
<p>e. Late Penalty? Assignment penalty applies? Yes/No</p>	<p><u>Late Penalty</u> <u>.....Days late@10%</u></p>	()
<p>TOTAL MARKS* Failure to adhere to the University referencing guidelines may result in action being taken by the academic integrity officer for plagiarism.</p>		/70

ASSIGNMENT 2 Marking Schedule

ACG 31 Auditing Theory and Practice
University of South Australia
School of Commerce

	MARKER'S COMMENT	MARKS AWARDED
<p>1. Identifying of inherent risks</p> <p>.1 Use of an auditing perspective:</p> <ul style="list-style-type: none"> - Inherent risks are specific to Dick Smith? - Detailed explanation of the potential misstatement? (broad issues will not accrue any marks) - Reference to applicable ASA's/IAS's? - Has independent research been used effectively? - Financial statement issues supported by independent research? - Five inherent risk factors covered? <p>2. Presentation (10 Marks)*</p> <ul style="list-style-type: none"> - Compliance with Harvard referencing guidelines <ul style="list-style-type: none"> -- Reference list complies? -- In-text referencing complies? - Grammar and English satisfactory? - Good presentation? - Adheres to submission guidelines as outlined in the Unit Outline and Assignment Booklet. <p>4. Word Limit Penalty?</p> <p>Assignment words > 2,200? If yes – penalty applied = % Excess words x mark achieved</p> <p>5. Late Penalty? Assignment penalty applies? Yes/No</p>	<p style="text-align: center;">Yes/No Yes/No Yes/No Yes/No</p> <p style="text-align: center;">Yes/No</p> <p style="text-align: center;">Words > 2,200..... Excess Words %.</p> <p style="text-align: center;">Late PenaltyDays late @10%</p>	<p style="text-align: center;">/60</p> <p style="text-align: center;">/10</p>
<p>TOTAL MARKS Failure to adhere to the University referencing guidelines may result in action being taken by the academic integrity officer for plagiarism.</p>		<p style="text-align: center;">70</p>

APPENDIX FIVE: NOTE ON ACADEMIC INTEGRITY AND USE OF FACEBOOK GROUPS

Whilst we understand that pressures from fellow students are sometimes difficult to resist, and it is acceptable (and indeed generous) to assist other students by *discussing* issues relating to assignments, including discussion on Facebook sites, it is not acceptable to provide access to, or copies of, your own assignment (or part of your assignment) to other students; **nor** is it acceptable to use another student's work (or from a group) as the basis for submission of an individual (or part of) assignment, whether quoting, paraphrasing or simply using their ideas.

FACEBOOK GROUPS: Whilst we encourage students to discuss assignments we would like to warn students that there are **real dangers** in participating in Facebook study groups and sharing information through social media. Such groups are NOT supervised by an academic and information shared may be wrong. If you share information about your assignments and someone else uses it in their own assignment then ALL members of the FACEBOOK group who have provided, misused or had access to the information may be deemed to have committed an academic integrity offence.

Note that assignments in this Unit will be checked using text comparison software, for instances of plagiarism or collusion.

REFERENCE LIST

1. Arens A. A., Best, P. J., Shailer, G. E. P., Fiedler, B. A., Elder, R. and Beasley, M., 2013. *Auditing, Assurance Services & Ethics in Australia – An Integrated Approach*, Clarity Update 9th edition, Pearson Australia, Frenchs Forest, N.S.W.
 2. Institute of Chartered Accountants in Australia, *Accounting Handbook 2016*, John Wiley and Sons, Milton.
 3. *Corporations Act*. Butterworths or Australian Government Printer. Available online at: http://www.austlii.edu.au/au/legis/cth/consol_act/ca2001172/
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