

Tutorial Letter 202/1/2015

SUBSTANTIVE PRODEDURES AND FINALISING AN AUDIT

AUE3702

Semester 1

Department of Auditing

IMPORTANT INFORMATION:

This tutorial letter contains important information
about the module.

BAR CODE

1. Suggested solution to Assignment 03

The objective of Assignment 03 was to guide you through topics 2 to 4. The same approach and principles applies to this assignment as was explained for Assignment 02 in Tutorial Letter 201. For Assignment 03 you were required to attempt all the activities as listed in section 2 of this tutorial letter.

A suggested solution is not provided because the study guide provides the exact references in the prescribed textbook for answering the activities.

Let's look at an example from your study guide to illustrate this point.

Property, plant and equipment



Study

Refer to Jackson and Stent (J&S) 2015:14/19 to 14/24 (2012:14/19 to 14/26).



ACTIVITY 3.5.4

You are the audit manager of ProRide (Pty) Ltd. You are provided with the trial balance at year-end, indicating that the property, plant and equipment (PPE) balance amounts to R1 550 000 (Dr) (previous year R550 000).

Required:

Formulate the audit procedures to verify the PPE at year-end.

(The above study reference will enable you to formulate the answer to the activity.)

To answer the question above you should have consulted pages 14/19 to 14/24 in the 2015 J&S textbook (if you used the 2012 J&S textbook you would have found these references on pages 14/19 to 14/26). The substantive audit procedures to verify PPE at year-end is set out in the textbook under each of the applicable assertions.

Assignment 03 represents your own study notes and therefore we will not be providing you with a suggested solution.

2. List of activities that make up Assignment 03

- Activities 3.1.2 to 3.1.4
- Activities 3.2.2 to 3.2.4
- Activities 3.3.1 and 3.3.2
- Activity 3.4.1
- Activities 3.5.1 to 3.5.4
- Activity 4.1.2
- Activity 4.2.1
- Activities 4.3.1 to 4.3.4
- Activities 4.4.1 and 4.4.2
- Activities 4.5.1 to 4.5.3
- Activities 4.6.1 to 4.6.6

3. Feedback on Assignment 03

3.1 Specific feedback

Students did well in the Assignment 03, but lost marks unnecessarily in the following areas:

- Many students did not include activity 0.1 as part of the assignment submitted – as a result marks could not be allocated.
- Many students did not include all the activities as set out in section 2 above. Please remember that as a professional accountant you have to perform your work at a certain standard with the necessary due care. If you are given a task you have to complete it at a certain standard. You were requested to complete and submit all the activities that form part of Assignment 03 (section 2 above). If you did not include all the activities when submitting Assignment 03, you have not performed your duties with the necessary due care. By not attempting all the activities students lost unnecessary marks.
- Many students did not include a self-reflection where requested by the activity. This is probably the most important part in learning and/or preparing for this module. You will repeat the same mistakes in the future if you do not remedy yourself by means of a self-reflection. Once you have answered a question, you mark it against the suggested solution. You then have to analyse and investigate what you did well and what you did not do well. It is very important to include a self-reflection to demonstrate to the lecturers that you have a plan for improving your knowledge and avoiding similar mistakes. (Also remember to give yourself credit for what you did well.)

3.2 Assessment approach

Please refer to the completed marking grid that you received with your assessed assignment. Go through your assignment and the marking grid completed by the marker. If you are not satisfied with the outcome of your assessed assignment please contact the lecturer to discuss the matter.

The marking grid is an assessment tool we use to assess your assignment. We assess specific competencies which are required by the South African Institute of Chartered Accountants (SAICA) competency framework. Each of these selected competencies assessed are identified on the marking grid.

4. Conclusion

Completing Assignment 03 properly and with the necessary due care has enabled you to demonstrate that you are able to

- conduct your own research
- be an active learner
- demonstrate your writing and reading abilities
- formulate your own substantive procedures for each of the five (5) business cycles
- deal with any audit finalisation and/or audit reporting issue