

# Learning Assessment Guide

## Unit Standard 11630 – Version 3

### Explain the nature and processes of auditing

#### Level 5 – 20 Credits

Assessment Summary			
Learner to complete			
Learner's name:			
Employer:			
NSN no. (ROL):		DOB:	
Signed:		Date:	
Assessor to complete			
<input type="checkbox"/> Meets requirements <input type="checkbox"/> More training required <input type="checkbox"/> More evidence required			
Assessor's name:		Assessor's No.	
Signed:		Date:	

## Before you begin...

- As well as this Learning Assessment Guide, you may also want to refer to the unit standard from the NZQA website (<http://www.nzqa.govt.nz>).
- Read the Trainee Information Kit. The kit contains important information and guidelines for Learners and can be found on the Learning State website (<http://www.learningstate.govt.nz>) under Learners, then Learning Assessment Guides.
- Check the learning resources available for this unit standard on the Learning State website (<http://www.learningstate.govt.nz>) under Learners, then Learning Assessment Guides.
- Understand that responses to each task within this unit standard must be illustrated by an example. Case studies are acceptable examples
- Legislation relevant to this unit standard includes but is not limited to the: Companies Act 1993, Financial Reporting Act 1993, and Public Finance Act 1989, and their subsequent amendments.
- Competence in this unit standard requires knowledge of: Standards for the Professional Practice of Internal Auditing and Statements on Internal Auditing Standards. These may be obtained from the Institute of Internal Auditors of New Zealand Inc.
- Further, knowledge of New Zealand Auditing Standards and Auditing Guidelines, and the Code of Ethics is also required in order to gain competence in this unit standard. These may be obtained from the Institute of Chartered Accountants of New Zealand.
- Create a portfolio to keep copies of evidence, which will indicate, to your manager or nominated supervisor that all assessment tasks have been successfully completed.
- Upon submission of your portfolio your assessor will contact you in order to verify the authenticity of the evidence submitted. This process is meant to provide you an opportunity to elaborate your responses or clarify any queries that may be raised by the assessor

This Learning Assessment Guide is made up of:

- Tasks for you to complete
- A verification form for your manager or nominated supervisor to complete

The tasks in this assessment are designed to show your assessor that you can:

- 1 Explain the nature of, and professional and regulatory requirements that affect, auditing
- 2 Explain the purposes of, and the processes involved in, establishing objectives, terms of references for audits, and an audit plan
- 3 Explain the mechanics of internal and external audits;
- 4 Discuss the issues associated with the preparation of audit reports.

## Assessment Task One – Element 1

The questions in this task are designed to assess your understanding of the nature and the professional and regulatory requirements that affect, auditing

You must provide your response in writing. Please do this on a separate sheet of paper. You may use a word processor. Make sure that you clearly identify which question your answers relate to.

### ***Task one questions***

Explain the nature of, and professional and regulatory requirements that affect, auditing.

Responses must address the following points:

- 1 Function and purpose of both internal and external auditing
- 2 Purpose and requirements of the Standards for the Professional Practice of Internal auditing
- 3 Purpose and requirements of the Statements on Internal Auditing Standards
- 4 Statutory requirements for external auditing contained in the Companies Act 1993, Financial Reporting Act 1993, Public Finance Act 1989, and their subsequent amendments. Requirements in terms of audited financial statements, requirements to be an auditor, appointment and remuneration, resignation and replacement must be given special attention
- 5 Purposes of the New Zealand Auditing Standards and Auditing Guidelines and the role of the Code of Ethics

## Assessment Task Two – Element 2

This assessment task requires you to explain the purposes of, and the processes involved in, establishing objectives, terms of references for audits, and an audit plan.

You must provide your response in writing. Please do this on a separate sheet of paper. You may use a word processor. Make sure that you clearly identify which question your answers relate to

### ***Task two questions***

Explain the purposes of, and the processes involved in, establishing objectives, terms of references for audits, and an audit plan.

Responses must address the following points:

- 1 The purposes of establishing audit objectives.
- 2 The purposes and processes involved in determining the terms of reference for an audit.
- 3 The purposes and an outline of an audit plan. The outline of the audit plan may pertain to an organisation that you are familiar with.

## Assessment Task Three – Element 3

The questions in this task require you to explain the mechanics of internal and external audits.

You must provide your response in writing. Please do this on a separate sheet of paper. You may use a word processor. Make sure that you clearly identify which question your answers relate to.

### ***Task three questions***

Explain the mechanics of internal and external audits

Responses must address the following points:

- 1 The Purpose and processes of an evaluation of internal control.
- 2 The Purpose and processes of compliance testing.
- 3 The purpose of an analytical review.
- 4 The purpose and processes of substantive testing.

## Assessment Task Four – Element 4

This assessment task requires you to discuss the issues associated with the preparation of audit reports.

You must provide your response in writing. Please do this on a separate sheet of paper. You may use a word processor. Make sure that you clearly identify which question your answers relate to.

### ***Task four questions***

Discuss the issues associated with the preparation of audit reports.

Responses must address the following points:

- 1 Identification of the purpose and content of the reports, with special regards to auditor's report, management letter, internal auditor's management report.
- 2 Identification of the situations where a qualified audit report is given.

### Learner Verification Guide – Unit Standard 11630

Name of Learner:	
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The learner is being assessed towards unit standard 11630 – Explain the nature and processes of auditing. Your knowledge of the learner is being sought to verify whether the learner is able to:

- 1 Explain the nature of, and professional and regulatory requirements that affect, auditing
- 2 Explain the purposes of, and the processes involved in, establishing objectives, terms of references for audits, and an audit plan
- 3 Explain the mechanics of internal and external audits;
- 4 Discuss the issues associated with the preparation of audit reports.

Please examine the learner’s portfolio and complete this form and arrange for it to be sent to the assessor of US 11630

The work submitted of an original nature and an individual attempt of the learner	Yes	No
Does the learner demonstrate understanding of the nature of and professional and regulatory requirements that affect, auditing	Yes	No
Does the learner demonstrate understanding of the purposes of, and the processes involved in, establishing objectives, terms of references for audits, and an audit plan.	Yes	No
Does the learner demonstrate understanding of the mechanics of internal and external audit	Yes	No
Does the learner discuss the issues associated with the preparation of audit reports	Yes	No

Comments:

Manager / Supervisor Name:

Position:

Contact Phone:

Email:

Signature:

Date:

## Assessment Results

These are the judgements that your assessor will use to assess you.

Written responses to all assessment tasks have been provided	Yes	No
Does the learner demonstrate understanding of the nature of and professional and regulatory requirements that affect auditing?	Yes	No
Does the learner demonstrate understanding of the purposes of, and the processes involved in, establishing objectives, terms of references for audits, and an audit plan?	Yes	No
Does the learner demonstrate understanding of the mechanics of internal and external audit?	Yes	No
Does the learner discuss the issues associated with the preparation of audit reports?	Yes	No
Is the learner's response detailed enough to address all the requirements of all tasks?	Yes	No
Does the learner's response include sufficient examples or case studies?	Yes	No
Was the learner contacted by telephone or other means to verify authenticity of the submitted evidence?	Yes	No
Is the verification form duly completed and signed ?	Yes	No