

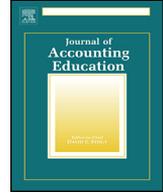


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Teaching and educational notes

Assembling the opinion: An active learning exercise for audit students [☆]



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ABSTRACT

“Assembling the opinion” is an in-class, small-group, active-learning exercise designed to help audit students become familiar with audit opinions. Students work in teams to “assemble” the wording of the audit opinion for a given fact scenario. The results from pre- and post-exercise assessments suggest that the active-learning exercise improves student learning. Data also suggest that students find the exercise enjoyable and believe that it contributes to their learning experience.

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1. Student materials

1.1. Background information

Wang & Gomez, LLP is a regional accounting firm located in the United States of America. It is a registered accounting firm meaning that it can audit public companies. In addition to public companies, it also audits several private companies within its region. As an audit nears completion, a draft of the audit opinion must be prepared. The decision about what type of opinion to provide is made by the partner on the audit. The language of audit opinions is fairly standardized and there are four general opinion types: Unmodified, Modified, Disclaimer of Opinion, or Adverse.

As the intern at Wang & Gomez, you are tasked with drafting appropriate wording for the audit opinion given the fact scenario provided by the audit partner (your instructor). You are to use the knowledge you have gained in your auditing course to properly draft an opinion. For each scenario described

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by your audit partner, you should prepare a draft for review including appropriate paragraphs, titles and signatures.

You will be assigned to a team with other audit interns to prepare the report drafts. Each team will be provided with an envelope that contains the wording choices. Each team will also be provided with a foam board with Velcro® strips. This will allow the team to assemble a draft of the opinion and view their work. When the team members agree that the answer is satisfactory, it may be presented to the audit partner for review and approval. Audit interns employed at Wang & Gomez are expected to be ethical and abide by the rules of the exercise, which are presented here.

1.2. Rules for the exercise

1. You may not use notes or a textbook.
2. You may take notes during the course of the exercise.
3. You may not “spy” on another team.
4. The partner will not give “hints” or show you which part of your opinion is incorrect.
5. If you are told you are incorrect, you may work on the answer again; however, you will only be checked after all the teams who are currently waiting have had their opinions checked.
6. The first team to get the correct wording will receive 2 points.
7. All other teams getting the opinion correct before time is called will receive 1 point.
8. The team with the most points will receive a bonus on the next exam.
9. Please be honest about the order in which you raised your hands to be checked, the partner cannot see all parts of the room while checking individual answers.
10. Have fun and use this opportunity to learn and ask questions about audit opinions.

1.3. Exercise process and learning opportunities

During each round, the audit partner will provide your intern team with feedback only about whether your report is correct or incorrect. However, at the end of each round, the audit partner will debrief the opinion. During this time, (s)he will present the appropriate wording and discuss common errors. While you cannot use your notes or text to prepare the opinion, you are encouraged to take notes about important aspects of the opinions when the audit partner gives the debriefing. It is important to note why you got certain drafts wrong and others right. This will help you as you prepare the wording for subsequent opinions.

As audit interns, you should use this exercise to learn how to apply the information that you have been studying about audit opinions. For example, what scenarios apply to each type of opinion? Next, how is the standard, unmodified opinion adjusted to meet these requirements? Consider whether a paragraph should be removed or added and where these changes take place. Interns at Wang & Gomez, LLP are encouraged to use logic and reasoning to help solve these puzzles and to work with other audit team members to ensure a positive team experience.

2. Teaching note

2.1. Introduction and overview

The “Assembling the opinion” exercise represents one way that the topic of audit opinions can be addressed in an in-class, small-group, active-learning exercise. The exercise is set up so that students work in teams of 3–5 individuals to put together an appropriate opinion based on a set of facts that represent an audit problem. The instructor introduces the topic of audit reports at the end of a class period and asks students to read related materials in the text. Students are told that understanding the wording and format of reports will be relevant for a team-based exercise that will be done during the next class period. In the subsequent class, students are given exercise pieces and a Velcro® board so they can assemble audit opinions for a given scenario. As teams finish preparing the opinion, the

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