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WORLD BANK GROUP
Governance

GROUP
CHALLENGE

The PejaSko Quiz

Audit Training of Trainers



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This document was prepared by:



Centre for Financial Reporting Reform (CFRR)
Governance Global Practice, The World Bank
Praterstrasse 31

1020 Vienna, Austria

Web: www.worldbank.org/cfrr

Email: cfrr@worldbank.org

Phone: +43-1-217-0700

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1818 H Street NW
Washington DC 20433
Telephone: 202-473-1000
Internet: www.worldbank.org

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The questions of the quiz further build on the simulated audit client case study “PejaSko Cheese Ltd.” used as a core teaching resource in the Audit Training of Trainers workshops. The CFRR team wishes to thank participating trainers, institutions and Professional Accountancy Organizations (PAOs) for their participation and contributions during the October 2-3, 2017 Audit Training of Trainers Workshop in Vienna when this exercise was piloted (listed below in order of country):

- Institute of Authorized Chartered Auditors of Albania (IEKA)
- Association of Accountants and Auditors of Republika Srpska (AAARS)
- Union of Accountants, Auditors and Financial Workers of Federation of Bosnia and Herzegovina (SRRF-FBH)
- Auditors Chamber in the Federation of Bosnia and Herzegovina
- Institute of Certified Public Accountants of Bulgaria
- Croatian Audit Chamber
- Estonian Auditors’ Association
- Society of Certified Accountants and Auditors of Kosovo (SCAAK)
- Institute of Certified Auditors of the Republic of Macedonia (ICARM)
- Council for Advancement and Oversight of the Audit (CAOA)
- Institute of Certified Accountants of Montenegro (ICAM)
- Philippines Board of Accountancy
- Chamber of Financial Auditors of Romania (CAFR)
- Chamber of Authorized Auditors of Serbia (CAA)
- Serbian Association of Accountants and Auditors (SAAA)

Introduction

Objective

The objective of the group exercise is to recap the simulated audit client PejaSko Cheese Ltd. ("PejaSko") and highlight key areas of the Case Study that is used throughout the Audit Training of Trainers Workshops series. By answering a series of questions based on the PejaSko case study participants are invited to join an interactive quiz and compete for the title "The Champion of PejaSko Cheese Ltd. Case Study".

Approach and Format

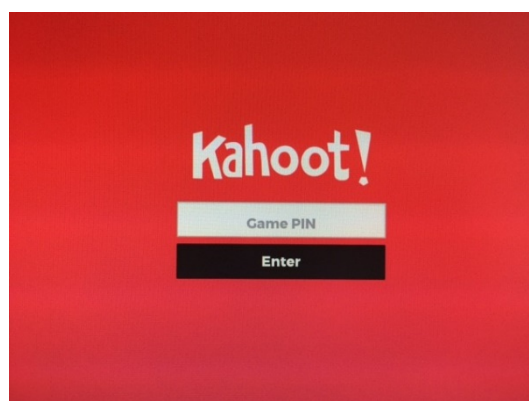
The session's duration is 45 minutes. It starts with a brief presentation highlighting key facts of the integrated audit client case PejaSko which is being used throughout the workshop series [approx. 25 mins]. Participants are divided into teams to play the quiz, which involves addressing a range of brief questions based on the PejaSko case scenario [approx. 20 mins].

The facilitator registers in advance with www.kahoot.com, pre-enters the multiple-choice questions indicating the correct answer selection and sets the available time for answering the quiz questions. Kahoot! is a game-based online platform that is accessible for free after logging in. There are fifteen (15) multiple choice questions, and four (4) answers in each question, provided in the following pages. Only one answer from the provided alternatives is the correct one.

The game starts out with a few easier questions and as they progress, difficulty increases. Some questions are negative statements, e.g. asking to select the statement that is not true. While some questions are shorter and others longer, no question exceeds 95 characters since this is the limit of the Kahoot! web-site for each question. Answers are also limited to maximum 60 characters.

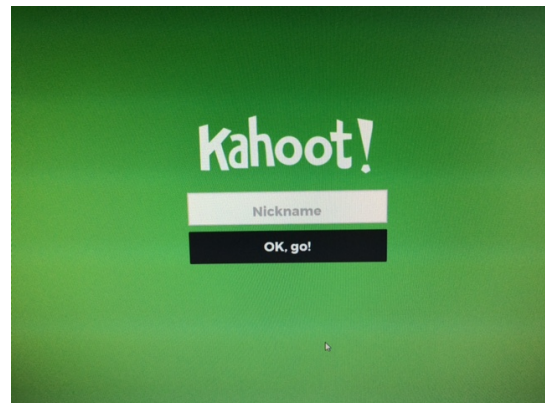
The team that provides the correct answer in the quickest time is awarded the most points by the system. Each participant table (between 5-7 participants) is provided a laptop, iPad, smartphone and internet access. Participants are asked to log into www.kahoot.it through the web-browser.

A Game PIN is provided to all participants by the facilitator. Each group enters the same 5-digit PIN provided by facilitator. The PIN changes every time the quiz is started again and the facilitator can monitor on his screen the nicknames of participant groups who logged in the quiz.



Each group of participants is assigned “Nickname / User Name” as follows:

- Group 1: Materiality
- Group 2: Confirmation
- Group 3: Judgement
- Group 4: Skepticism
- Group 5: Estimation



The system announces the winning team after all questions are answered and the members of the winning team are awarded the Certificate for “The Champion of PejaSko Cheese Ltd. Case Study”.

Expected Outcomes

- Refresh participant’s memory of key facts described in the simulated audit client PejaSko that is used as a core teaching resource throughout the Audit Training of Trainers Workshops;
- Recap key concepts and draw participant’s attention to key issues to be covered in the upcoming workshop sessions.

Quiz Questions and Answers

Some proposed quiz questions are provided below, together with proposed answers (in bold).

Question 1

Who was playing the role of Mr. Brankomat in the Simulated Client challenge during the March 2017 workshop?

- A. Paul Thompson
- B. Piotr Pyziak**
- C. Branko Ljusic
- D. Arman Vatan

Question 2

How many full-time employees does PejaSko have?

- A. 10**
- B. 12
- C. 113
- D. 3

Question 3

Which statement is not true?

- A. PejaSko is a large-size producer of sheep and goat cheese**
- B. PejaSko sells its products locally and exports 20 % of sales
- C. One shareholder owns 85% of shares
- D. Company's board comprise CEO, Chief Accountant and the lawyer

Question 4

Which problem has management identified and expect the auditor's assistance?

- A. Issue of cheese returns after year-end
- B. Issue of completeness and valuation of livestock**
- C. Personal income taxes issue related to using company's car for private use
- D. Issue of double payment of selected purchase invoices

Question 5

Which problem related to Fixed Assets is not an issue for PejaSko?

- A. Completeness and valuation of livestock
- B. Ownership of land**
- C. Valuation of buildings
- D. The need for investment in modern production equipment

Question 6

Which statement is correct?

- A. Cost of production comprise mostly of food for goats and sheep**
- B. Payment terms for receivables are 14 days and are paid on time
- C. PejaSko has positive cash-flows and does not use bank loans
- D. There is no need to calculate foreign exchange differences in PejaSko

Question 7

The return of part of the inventory of unpasteurized goat cheese on 5 January was:

- A. Subsequent event
- B. Post balance sheet event**
- C. Going concern
- D. Prior year event

Question 8

In the assessment of internal controls, which aspect is increasing the audit risk the most?

- A. The fact that the CEO is closely involved in operations
- B. IT system is maintained by an external IT consultant
- C. The market for cheese is largely divided between producers
- D. The lack of proper segregation of duties**

Question 9

What basis was selected for determining materiality for PejaSko?

- A. Net profit
- B. Gross revenue**
- C. Shareholders' equity
- D. Total assets

Question 10

Which business process has been identified as having “high” audit risk for PejaSko?

- A. Sales of goods
- B. Payments in cash**
- C. Payroll
- D. Accounting estimates

Question 11

Which account has not been identified as significant for PejaSko?

- A. Fixed assets
- B. Inventories
- C. Account payables
- D. Prepayments**

Question 12

Which control within the revenue cycle does not occur in PejaSko?

- A. Check of sales orders into the system (by warehouse manager)
- B. Authorization of the entry of sales orders (by CEO or lawyer)
- C. Sales prices are approved by Chief Accountant**
- D. Analysis before accepting client (by Chief Accountant, lawyer and CEO)

Question 13

Which part of the audit work would you describe as analytical procedure?

- A. Check the level of gross profit each month and to prior year**
- B. Investigate the insurance receivable for fire damages
- C. Circulate 20 balances of accounts receivable. Follow-up the differences
- D. Review material credit notes and adjustments after year end

Question 14

Which statement is true?

- A. The Chief Accountant reviews the Accounts Receivable list once a year for provision
- B. The Chief Accountant, lawyer and CEO discuss the provision for claims
- C. The Warehouse manager reviews twice per week the inventory levels for expired stock items
- D. All above**

Question 15

How many bank accounts does PejaSko have?

- A. 1
- B. 2
- C. 3**
- D. 4

