



The University of Southern Queensland

## Course Specification

### Description: Auditing

Subject	Cat-Nbr	Class	Term	Mode	Units	Campus
ACC	3118	14126	2, 2002	ONC	1.00	WIBAY

<b>Academic Group:</b>	FOBUS
<b>Academic Org:</b>	FOB008
<b>HECS Band:</b>	2
<b>ASCED Code:</b>	080101

### STAFFING

Examiner: John Pragasam

Moderator: David Keene

### PRE-REQUISITES

Pre-requisite: ACC 3115

### SYNOPSIS

This course primarily deals with the process by which the external company auditor, within the Australian professional and legal framework, independently appraises and reports on the truth and fairness of the company's financial statements. The course is practice-oriented and in keeping with current trends in the auditing profession, a risk-based audit approach is emphasised. The course covers the audit of computerised systems as well as selected manual accounting systems. Limited 'hands-on' auditing experience is provided by requiring students to complete a case study as part of the assessment for the course. Auditing theory is integrated with audit methodology so as to enable students to better appreciate the fundamental concepts and principles that underlie auditing practice.

### OBJECTIVES

Completion of this course should enable students to:

- explain the need for an independent audit;
- appreciate the various auditing standards and procedures and the application of these to the conduct of an audit;
- follow the development of case law and statute law in respect of the definition of the auditor's responsibilities;
- appreciate the audit process, beginning with the planning phase, through the documentation stages, to the testing (interim and final), evaluation and reporting stages;
- appreciate the concepts of internal controls and audit testing procedures;

- understand the principles and application of audit sampling techniques;
- appreciate the internal controls associated with the audit of computer information systems;
- decide on the appropriateness of different types of it reports and prepare such audit reports.

## TOPICS

Description	Weighting (%)
1. Assurance and the Auditing Profession	7.00
2. The Financial Report Audit and Professional Standards	7.00
3. The Audit Process and Audit Evidence	8.00
4. Internal Control	9.00
5. Audit Testing I	8.00
6. Audit Testing II	8.00
7. CIS Auditing I: Controls	9.00
8. CIS Auditing II: Techniques	8.00
9. Audit Sampling	9.00
10. Completing the Audit and Audit Reporting	9.00
11. Legal Responsibility and Liability of Auditors	9.00
12. Professional Ethics and Independence	9.00

## **TEXT and MATERIALS required to be PURCHASED or ACCESSED:**

Books can be ordered by fax or telephone. For costs and further details use the 'Book Search' facility at <http://bookshop.usq.edu.au> by entering the author or title of the text.

USQ Study Package (available from the University Bookshop).

Gill, G.S., Cossarat, G., Leung, P. & Coram, P. 2001, *Modern Auditing and Assurance Services*, 6th edition, John Wiley & Sons, Australia.

Knapp, J. & Kemp, S. (eds) 2002, *Auditing Handbook 2002, Vol 2 of the Accounting and Auditing Handbook*, Prentice Hall, Australia.

(Students should have access to this text OR Auditing Standards, Auditing Guidance and Professional Statements, and the Joint Code of Professional Conduct, from either the CPA Australia or ICAA Members Handbook.)

## REFERENCE MATERIALS

Reference materials are materials that, if accessed by students, may improve their knowledge and understanding of the material in the course and enrich their learning experience.

Arens, A.A., Best, P., Shailer, G., Fielder, B. & Loebbecke, J. 2002, *Auditing in Australia: An Integrated Approach*, 5th edition, Prentice-Hall, Australia.

Gay, G. & Simnett, R. 2000, *Auditing and Assurance Services in Australia*, McGraw Hill, Sydney.

## STUDENT WORKLOAD REQUIREMENTS

ACTIVITY	HOURS
Assessment	40
Lectures	26
Private Study	83
Tutorial	26

## ASSESSMENT DETAILS

Description	Marks Out of	Wtg(%)	Required	Due Date
CASE STUDY	60.00	20.00	Y	13 Sep 2002
EXAMINATION (3 HOURS)	100.00	80.00	Y	END S2 (see note 2)

### NOTES:

2. Students will be advised of the official examination date after the timetable has been finalised.

## OTHER REQUIREMENTS

- 1 To be assured of a passing grade in this course, students must attempt all of the assessments, achieve at least 50% in the examination and at least 50% of the available marks for the course. Final grades for the course will be determined by the addition of the marks obtained in each assessment item, weighted as in the Assessment Details.
- 2 Students must retain a copy of all pieces of assessment which must be produced if/when required by the course leader.
- 3 LATE ASSIGNMENTS (i) All assessments submitted after the due date (and not approved for extension) in accordance with university policy will be penalised 20% per working day. (ii) If students submit assignments after the due date and wish to claim extenuating circumstances then they shall provide validated documentary evidence with the assignment, explaining the circumstances. (iii) The course examiner shall consider the statement accompanying a late assignment and decide on the outcome.

- 4 Assignments not submitted in the appropriate assignment folders will be deemed as not being received.
- 5 **DISHONEST ACTIONS** (i) Any student who is alleged to having performed a dishonest action relating to any assessment in the course will have a course of action taken against him/her as outlined in the Academic Regulations. (ii) Pieces of assessment should be the work of individual students. Joint pieces of assessment are not permitted unless written approval has been obtained from the course leader. (iii) Dishonest action in relation to assessment includes: copying or attempting to copy the work of others; use of or attempting to use information prohibited from use in that form of assessment; submitting the work of another as your own; consciously committing acts of plagiarism, ie taking and using another's thoughts or writings as one's own with intent to deceive, which occurs when paragraphs, sentences, a single sentence or significant parts of a sentence which are copied directly, are not enclosed in quotation marks and appropriately footnoted or referenced in the text; direct quotations are not used, but text is paraphrased or summarised, and the source of the material is not acknowledged by footnoting or other reference in the text.
- 6 **DEFERRED EXAMINATIONS** (i) Deferred examinations will be granted at the Dean's discretion based on non-attendance for medical, compassionate or employment-related reasons having regard to item 1. If a deferred examination is granted, students shall sit the deferred examination in the next semester examination period. If, for whatever reason, this deferred examination is not taken then the student will be graded 'F'. (ii) To be eligible for consideration for a deferred examination, students must have submitted a genuine attempt at all mandatory assessment items. (iii) Deferral of an examination CANNOT be granted on an existing deferral in that course. (iv) Requests must be in writing to the Faculty Operations Manager clearly stating student name, student number, current address, course alpha-numeric identifier and name for the examination not attended. (v) Requests MUST BE supported by original or suitably authenticated documentation. (vi) Requests and documentation must be submitted to the Faculty Operations Manager within ten (10) calendar days of the missed examination date. (vii) Requests based on medical reasons must be supported by medical evidence on the appropriate University of Southern Queensland medical certificate or doctor's certificate. A medical certificate must be dated with the same date as the period of illness for which the absence from examination is being sought and clearly indicate the student's name and, if possible, student number (retrospective medical certificates will not be accepted for either assignment work or examinations). Only original or authenticated medical certificates will be accepted. A student's medical condition must be stated clearly (IN ENGLISH). (Certificates stating a student has a 'medical condition' may not be sufficient grounds for deferment of examination). Medical evidence must cover the student for the day(s) of the missed examination(s). (viii) Requests based on family/personal reasons must be supported by a clear statement (IN ENGLISH) from a medical practitioner, counsellor or independent member of the community. (ix) Requests based on employment-related reasons must be supported by a clear statement (IN ENGLISH) from the student's employer. (x) Students who have a medical condition or genuine compassionate or employment-related problems on the day of the examination are advised to obtain

the relevant documentary evidence and NOT attempt the examination. If a student makes an attempt at the examination, the assessment item will be marked and a grade awarded. In these cases, a student cannot, after receiving a 'fail' grade, request a deferred examination or special consideration. (xi) Students who have been granted deferred examinations will not be granted a waiver of prerequisites, without the permission of the Heads of Department, in subsequent semesters (if they do not have a passing grade).

- 7 Course weightings of topics should not be interpreted as applying to the number of marks allocated to questions testing those topics in an examination paper. The examination may test material already tested in assignments.
  - 8 Mechanised erasers and mobile phones are NOT permitted in exam venues.
  - 9 The examination will be restricted, and, as such, you are NOT permitted to bring any books or notes into the examination. Students will be allowed to bring into the examination a quiet, battery-operated non-programmable calculator. Dictionaries and the Auditing Handbook are NOT to be brought into the examination.
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