



The University of Southern Queensland

Course Specification

Description: NIA Auditing

| Subject | Cat-Nbr | Class | Term | Mode | Units | Campus |
|---------|---------|-------|---------|------|-------|--------|
| ACC | 5018 | 10091 | 1, 2002 | EXT | 1.00 | TWMB |

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|------------------------|--------|
| Academic Group: | FOBUS |
| Academic Org: | FOB008 |
| HECS Band: | 2 |
| ASCED Code: | 080101 |

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. 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 EDP systems;
- decide on the appropriateness of different types of audit reports and prepare such audit reports.

TOPICS

| Description | Weighting (%) |
|--|---------------|
| 1. Introduction and Development of the Auditing Profession | 7.00 |

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| 2. Auditing Theory and Standards | 8.00 |
| 3. Legal Responsibility and Liability of Auditors | 9.00 |
| 4. Professional Ethics and Independence | 9.00 |
| 5. The Audit Cycle and Audit Evidence | 8.00 |
| 6. Internal Control Principles and Evaluation | 9.00 |
| 7. Compliance and Substantive Tests I | 8.00 |
| 8. Compliance and Substantive Tests II | 8.00 |
| 9. EDP Auditing I: Controls | 9.00 |
| 10. EDP Auditing II: Techniques | 8.00 |
| 11. Audit Statistical Sampling | 9.00 |
| 12. Completing the Audit & Audit Reporting | 8.00 |

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.

In addition to the above, students should have access to:

OR

`Auditing Standards, Auditing Guidance and Professional Statements, and Ethical Pronouncements' from either ASCPA or ICAA Members Handbook.

Gay, G. & Simnett, R. 2000 *MaxMark Auditing*, McGraw-Hill, Australia.

Gul, F.A., Teoh, H.Y., Andrew, B.H. & Schelluch, P. 1996 *Theory and Practice of Australian Auditing*, 4th edn, Nelson Wadsworth.

Parker, C. & Soukseun, D. 2002 *Auditing Handbook 2002*, Volume 2 of the Accounting and Auditing Handbook, Prentice Hall, Australia.

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.J., Shailer, G.E.P. & Loebbecke, J.K. 1997 *Auditing in Australia: An Integrated Approach*, 4th edn, Prentice- Hall Australia.

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

Gill, G.S., Cosserat, G., Leung, P. & Coram, P. 1999 *Modern Auditing*, 5th edn, John Wiley and Sons.

ASSESSMENT DETAILS

| Description | Marks Out of | Wtg(%) | Required | Due Date |
|-----------------------|--------------|--------|----------|------------------------|
| EXAMINATION (2 HOURS) | 100.00 | 100.00 | Y | END S1 (see note 1) |

NOTES:

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

OTHER REQUIREMENTS

- 1 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.
 - 2 Mechanised erasers, mobile telephones and other electronic media are not permitted in exam venues.
 - 3 The examination will be closed. The use of calculators is NOT permitted. Dictionaries are NOT to be used in the examination. Students are NOT permitted to write on the examination question paper during perusal time. Students are NOT permitted to retain the blue examination paper.
 - 4 To be assured of a passing grade in this course, students must attempt the examination and achieve at least 50% of the available marks for the course. Final grades for the course will be determined by the student's performance in the examination. To be assured of a B grade students will be required to obtain an overall mark of 65%. To be assured of an A grade students will be required to obtain an overall mark of 75%. To be assured of an HD grade students will be required to obtain an overall mark of 85%.
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