



The University of Southern Queensland

## Course specification

<b>Description: Auditing</b>						
Subject	Cat-nbr	Class	Term	Mode	Units	Campus
ACC	3118	54101	2, 2006	ONC	1.00	Toowoomba

<b>Academic group:</b>	FOBUS
<b>Academic org:</b>	FOB008
<b>Student contribution band:</b>	2
<b>ASCED code:</b>	080101

### STAFFING

Examiner: Alan Keighran

Moderator: Noel Brown

### REQUISITES

Pre-requisite: ACC3115

### SYNOPSIS

This course introduces the concepts and practices of company financial report audits within the assurance framework. It deals primarily with the process by which the external company auditor, within the Australian professional, ethical and legal framework, appraises and reports on the truth and fairness of the company's financial statements. The course is oriented towards the auditing profession and, in keeping with current practice, adopts a risk-based audit approach and follows the Australian Auditing Standards that are based on the International Standards on Auditing. The course looks at how financial statement audits are conducted in computer-based and manual environments for selected systems. Limited practical exposure to auditing is provided through requiring students to complete a case study as part of the assessment for the course.

### OBJECTIVES

The course objectives define the student learning outcomes for a course. The assessment item(s) that may be used to assess student achievement of an objective are shown in parentheses after each objective. On successful completion of this course, students should be able to:

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

6. understand the principles and application of audit sampling techniques (Examination)
7. appreciate the internal controls associated with the audit of computer information systems (Examination)
8. decide on the appropriateness of different types of audit reports and prepare such audit reports (Examination).

## 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

ALL textbooks and materials are available for purchase from USQ BOOKSHOP (unless otherwise stated). Orders may be placed via secure internet, free fax 1800642453, phone 07 46312742 (within Australia), or mail. Overseas students should fax +61 7 46311743, or phone +61 7 46312742. For costs, further details, and internet ordering, use the 'Textbook Search' facility at <http://bookshop.usq.edu.au> click 'Semester', then enter your 'Course Code' (no spaces).

ACC3118 study package available from the USQ Bookshop.

Carroll, N & McBride, P (eds) 2006, *Auditing and assurance handbook 2006*, Prentice Hall, Sydney, New South Wales.

(OR Kemp, S & Knapp, J (eds) 2006, *CA Auditing and assurance handbook 2006*, John Wiley & Sons, Milton, Queensland. (Alternatively, students may refer to the Auditing Standards, Auditing Guidance and Professional Statements, and the Joint Code of Professional Conduct, from either the CPA Australia or ICAA Members' Handbook))

Leung, P, Coram, P, Cooper, BJ, Cosserrat, G & Gill, GS 2004, *Modern auditing and assurance services*, 2nd edn, John Wiley & Sons, Milton, Queensland.

## 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, AA, Best, PJ, Shailer, GEP, Fiedler, BA, Elder, RJ & Beasley, MS 2005, *Auditing and assurance services in Australia: an integrated approach*, 6th edn, Prentice-Hall, Australia.

Gay, G & Simnett, R 2005, *Auditing and assurance services in Australia*, 3rd edn, McGraw Hill, Sydney, New South Wales.

Schelluch, P, Topple, S, Jubb, C, Rittenberg, L & Schwieger, B 2004, *Assurance and auditing: concepts for a changing environment*, Thomson Learning Australia, Southbank, Victoria.

(revised edition)

## STUDENT WORKLOAD REQUIREMENTS

ACTIVITY	HOURS
Assessment	40.00
Lectures	26.00
Private Study	83.00
Tutorials	26.00

## ASSESSMENT DETAILS

Description	Marks out of	Wtg(%)	Due date
CASE STUDY	100.00	30.00	11 Sep 2006
3 HOUR EXAMINATION	100.00	70.00	END S2 (see note 1)

### NOTES

1. The examination is scheduled to be held in the end-of-semester examination period. Students will be advised of the official examination date after the timetable has been finalised.

## IMPORTANT ASSESSMENT INFORMATION

- 1 Attendance requirements:  
It is the students' responsibility to attend and participate appropriately in all activities (such as lectures, tutorials, laboratories and practical work) scheduled for them, and to study all material provided to them or required to be accessed by them to maximise their chance of meeting the objectives of the course and to be informed of course-related activities and administration.
- 2 Requirements for students to complete each assessment item satisfactorily:  
To satisfactorily complete an individual assessment item a student must achieve at least 50% of the marks. (Depending upon the requirements in Statement 4 below, students may not have to satisfactorily complete each assessment item to receive a passing grade in this course.)
- 3 Penalties for late submission of required work:

If students submit assignments after the due date without prior approval then a penalty of 20% of the total marks gained by the student for the assignment will apply for each working day late.

- 4 Requirements for student to be awarded a passing grade in the course:  
To be assured of receiving a passing grade a student must submit all of the weighted assessment items, achieve at least 50% in the examination, and at least 50% of the total weighted marks available for the course.
- 5 Method used to combine assessment results to attain final grade:  
The final grades for students will be assigned on the basis of the aggregate of the weighted marks obtained for each of the summative assessment items in the course.
- 6 Examination information:  
This is a restricted examination. Candidates are NOT permitted to bring any books, notes, dictionaries or handbooks into the examination. The only materials that candidates may use in the restricted examination for this course are: writing materials (non-electronic and free from material which could give the student an unfair advantage in the examination); calculators which cannot hold textual information (students must indicate on their examination paper the make and model of any calculator(s) they use during the examination). Students are not permitted to take any computers, mobile telephones, pagers or other electronic means of communication into the examination room.
- 7 Examination period when Deferred/Supplementary examinations will be held:  
Any Deferred or Supplementary examinations for this course will be held during the next examination period.
- 8 University Regulations:  
Students should read USQ Regulations 5.1 Definitions, 5.6. Assessment, and 5.10 Academic Misconduct for further information and to avoid actions which might contravene University Regulations. These regulations can be found at the URL <http://www.usq.edu.au/corporateservices/calendar/part5.htm>. Students should also read the Faculty of Business Guide to Policies and Procedures of the Faculty which can be found at the URL <http://www.usq.edu.au/handbook/current/buspolproc.html>.

## **ASSESSMENT NOTES**

- 1 Assignments: (i) Assignments must be submitted in the drop box located at the Faculty of Business reception area on level 4 of L-Block by 5:00PM on the due date. (ii) Students must retain a copy of each assignment submitted for assessment. This must be produced within 24 hours if required by the Examiner. (iii) In accordance with University's Assignment Extension Policy (Regulation 5.6.1), the Examiner may grant an extension of the due date of an assignment in extenuating circumstances. 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. The Examiner shall consider the statement accompanying a late assignment and decide on the outcome. (iv) Assignments are to be submitted with the appropriate assignment cover. (v) The Examiner will normally only accept assessments that have been written, typed or printed on paper-based media.
- 2 Course weightings: 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.
- 3 Dishonest actions: (i) Any student who is alleged to have 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 Examiner. (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, that is, 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.

- 4 Deferred Work: Students who, for medical, family/personal, or employment-related reasons, are unable to complete an assignment or to sit for an examination at the scheduled time may apply to defer an assessment in a course. Such a request must be accompanied by appropriate supporting documentation. One of the following temporary grades may be awarded: IDS (Incomplete - Deferred Examination); IDM (Incomplete Deferred Make-up); IDB (Incomplete - Both Deferred Examination and Deferred Make-up).

## **OTHER REQUIREMENTS**

- 1 Learning resources: Prescribed texts and materials (see above); recommended reference materials (see above); printed Introductory Book\*, Study Book/s\*, Book/s of Selected Readings\*, and Answer Book\*; and course Website accessible via USQConnect. \*part of the study package available from the USQ Bookshop.
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