ACCY 962  PROFESSIONAL PRACTICE – AUDITING, RISK ASSURANCE AND INFORMATION SYSTEMS

6 CP

SEMESTER1  WOLLONGONG

Lecturers

<table>
<thead>
<tr>
<th>Dr Ted Watts</th>
<th>School of Accounting &amp; Finance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr Ciorstan Smark</td>
<td>School of Accounting &amp; Finance</td>
</tr>
</tbody>
</table>

Room: 40.319  Ph: 4221-5220  email: csmark@uow.edu.au

Consultation: To be advised

Subject Coordinator

<table>
<thead>
<tr>
<th>Dr Ted Watts</th>
<th>School of Accounting &amp; Finance</th>
</tr>
</thead>
</table>

Room: 40.309  Ph: 4221-4005  email: tedw@uow.edu.au

Consultation: To be advised
SECTION A: GENERAL INFORMATION

LECTURE TIMES

Thursday 10.30 – 12.30 Hope LT (building 40)

TUTORIAL TIMES

Tutorial times are accessible via the University homepage. Please note that tutorial attendance is compulsory.

BRIEF OUTLINE

Auditing has undergone many regulatory reforms to become a proactive investigative tool providing assurance as to the validity of financial reports. With increased responsibility on auditors to detect material misstatements in financial reports due, not just to error, but also fraud, auditors must be able to apply professional scepticism whilst maintaining an independent stance when undertaking auditing procedures.

ACCY 962 will provide students with the necessary knowledge of regulatory reforms, audit procedures and the ability to recognise red flag fraud indicators, preparing students to undertake a financial report audit in accordance with current standards.

STUDENT LEARNING OUTCOMES

On successful completion of this subject, the student should be able to:

1. Undertake a financial report audit in accordance with regulatory requirements in a proactive and investigative nature thus providing reasonable assurance as to the validity of the financial reports of the audit client entity.

2. Recognise red flag indicators of fraud within an organisation and respond appropriately.

3. The ability to undertake and complete a financial report audit from the initial engagement stage to the final reporting and issuing of an audit opinion. The student should be able to appropriately plan an audit, gaining an in-depth knowledge of the audit client entity, assessing possible risk factors facing the entity, and be able to identify any weaknesses in the internal control procedures. From this, then advise on the necessary control procedures that should be implemented so to minimise the threat of material misstatements due to fraud, and or error, within the financial reports.

ATTENDANCE REQUIREMENTS

ACCY 962 is a 6 credit point subject, which requires a minimum of 12 hours of study to be devoted to the subject per week, including attendance at lectures and tutorials. Two hour seminar lectures will be held each week; it is strongly advised that students attend all lectures. Whilst summary lecture notes will be made available on Web CT these should not be seen as a replacement to lecture attendance, they are simply a
summary which should be used to guide students as to lecture content and should be used as the basis of note taking during the lectures.

**In order to maximise learning outcomes, it is strongly recommended that students attend all lectures.**

In addition to the above, attendance at a 1 hour tutorial each week is compulsory. Attendance records will be kept and students are expected to complete all tutorial questions for each tutorial.

**PERFORMANCE LEVEL**

To be successful in this subject, students must:

1. Attend all tutorials and submit weekly tutorial work to their tutor for assessment;
2. Submit the ongoing case study by the due dates as set out in the assessment requirements (see below);
3. Sit for the mid semester examination;
4. Sit for the final examination and achieve a mark of at least 40%;
5. Achieve an overall mark of at least 50%.

**REQUIRED TEXTS**


All textbooks are available online from the University Bookshop at http://unishop.uow.edu.au/textbooks/

**RECOMMENDED BACKGROUND AND FURTHER READING**

This is not an exhaustive list of references. Students should also use the library catalogue and databases to locate additional resources.

**ELECTRONIC READINGS AND WEBCT**

WebCT Vista will be used extensively thorough the semester, please check the ACCY 962 website regularly as any announcements or updates for this subject will be posted on this website. The website will include the following:

- Subject outline
- Summary lecture notes - summary notes will be posted prior to the lecture each week. Please note that these slides are not the complete lecture material but simply a guide and should be used by students as the basis for note taking.
- Answers to weekly tutorial questions – tutorial answers will be posted after all tutorial classes have been completed for the week.
- Review questions – students are advised to attempt these review questions as they are a good way of reinforcing material learnt in lectures and tutorials.
- Review question answers – answers to all review questions will also be posted on the site.
- Student Questions and Answers – provides students with an area where they can ask questions be it about a tutorial question, lecture slide etc that they did not understand. Any questions received by students will be answered on this website so that all students can have access to the answer, chances are if you don’t understand a tutorial question or the like, others don’t either. Please make use of this regularly do not leave all your questions to just before the examination period as chances are that there will be no time to answer the questions.
- Communication – any announcements regarding the subject will be posted on this website.

**SECTION B: ASSESSMENT**

<table>
<thead>
<tr>
<th>Assessment 1:</th>
<th>Mid Semester Examination</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Topics</strong></td>
<td>The exam will cover work undertaken from week 1 up to and including week 5. More information regarding the mid semester examination will be given closer to examination time. The examination, which will be multiple-choice, will be held during the lecture.</td>
</tr>
<tr>
<td><strong>Length:</strong></td>
<td>1 Hour</td>
</tr>
<tr>
<td><strong>Weighting:</strong></td>
<td>20%</td>
</tr>
<tr>
<td><strong>Due date</strong></td>
<td>To be held during the lecture on Thursday 30 March</td>
</tr>
<tr>
<td><strong>Style</strong></td>
<td>Multiple choice</td>
</tr>
</tbody>
</table>
### Assessment 2: Continuous Case Study

<table>
<thead>
<tr>
<th>Topic</th>
<th>HomeChef Pty Limited (CCS 6.30, 7.25, 8.30, 9.28, 10.34 and 12.3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marking criteria</td>
<td>HomeChef Pty Limited is a continuous case study commencing in week 6 (CCS 6.30) and concluding in week 12 (CCS 12.30). The weekly case study will be completed as part of the tutorial assignments and handed to the tutor at the beginning of the tutorial. The answers will be typed single sided using 12 point font and 1½ line spacing. Failure to submit a case study on time will result in the loss of 3½ marks per case study. A completed assignment cover sheet must be attached to the case study. Tutors will provide feedback on the case study each week so it is important you have a copy with you in tutorial. The final mark, out of 20, will be provided in week 12.</td>
</tr>
<tr>
<td>Weighting</td>
<td>20%</td>
</tr>
<tr>
<td>Due date</td>
<td>Students are to submit their case study to their tutor at the beginning of their allocated tutorial. That is in weeks 6, 7, 8, 9, 10 and 12. (There is no CCS component in week 11).</td>
</tr>
</tbody>
</table>

### Assessment 3: Final Examination

| Weighting | 60% |
| Date | The final examination date for ACCY 962 is yet to be confirmed, once confirmed dates will be published through SOLS. |
| Time allowed | 3 hours 15 minutes |
| Structure of paper | A combination of long, short and application answers, with both practical and theoretical components. |
| Other | Further information relating to the final examination will be made available to students in lectures during week 13 (revision week). |

**NOTE:** The examination format cannot be changed from that stated above without the written consent of all students enrolled in this subject.

### REVIEW QUESTIONS

Throughout the session review questions will be made available through WebCT and answers will be given. Students are advised to complete these questions as there will be a section on WebCT where students can ask questions the answers for which will be given on WebCT.
SUMMARY OF ASSESSMENTS

<table>
<thead>
<tr>
<th>Assessment</th>
<th>Weighting</th>
<th>Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continuous Case Study – HomeChef Pty Limited</td>
<td>20%</td>
<td>Prior to the commencement of the tutorial in weeks 6, 7, 8, 9, 10, and 12.</td>
</tr>
<tr>
<td>Mid – semester examination</td>
<td>20%</td>
<td>30 March 2006, during lecture time</td>
</tr>
<tr>
<td>Final Examination</td>
<td>60%</td>
<td>To be advised</td>
</tr>
</tbody>
</table>

SUBMISSION, RETENTION AND COLLECTION OF WRITTEN ASSESSMENT

Students are to submit their assessment work as per above requirements. A faculty coversheet must be attached to the assessment for it to be accepted. Upon submission both tutors and students must sign and date relevant sections of the coversheet. Students must retain their receipt section of the coversheet. If a student does not have a signed receipt of submission it will be deemed that the student had not submitted their assessment task.

Further requirements
(a) Only hard copy will be accepted, no assessments will be accepted via email, fax or any other possible method.
(b) Late submissions will incur a penalty of 1 mark per day or part there of.
(c) A faculty coversheet must be attached (download the coversheet from the faculty website) or the assessment will not be accepted;
(d) Students must sign and retain proof of submission, being a signed receipt.
(e) Assessments will be returned during tutorials, students who did not attend the tutorial can collect their work at a later date from their tutor.
(f) If required referencing must be as per specifications below (see C2 Faculty and School Policies – Referencing).

A Faculty of Commerce assignment cover sheet must be attached to each piece of written assessment.

This cover sheet can be obtained from the website:

PLAGIARISM

Plagiarism means using the ideas of someone else without giving them proper credit. For example, that someone else may be an author, critic, journalist, artist, composer, lecturer, tutor or another student. Unintentional plagiarism can result if you don’t understand, and/or don’t use the acceptable scholarly methods of acknowledgement. Whether plagiarism is deliberate or unintentional, the University may impose penalties, which can be very severe. When it is desirable, or necessary, to use other people's material, take care to include appropriate references and attribution. Plagiarism will not be tolerated and has led to expulsion from the University.

Students should visit the following University website and become familiar with the University’s policy on Plagiarism.

SECTION C: RULES, CODES OF PRACTICE & POLICIES

C1 UNIVERSITY POLICIES

Information on the following University Policies can be found at the websites below:

<table>
<thead>
<tr>
<th>Policy</th>
<th>URL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethical objection by students to the use of animal and animal products in coursework subjects</td>
<td><a href="http://www.uow.edu.au/about/policy/ethicalobjectionanimals.html">http://www.uow.edu.au/about/policy/ethicalobjectionanimals.html</a></td>
</tr>
</tbody>
</table>

* see brief explanation of policy below.

C1.1 Non-discriminatory Language

The Faculty of Commerce supports the University’s policy on the use of non-discriminatory language. It is the responsibility of students to ensure that they understand and abide by this policy. The policy is available at:

http://staff.uow.edu.au/eo/nondiscrimlanguage.html

C1.2 Special Consideration Policy

The Faculty of Commerce recognises that it has a responsibility to ensure equity and consistency across its subjects for all students. Sometimes, in exceptional circumstances, students need to apply for special consideration in order to complete all assessable work.
The University applies strict criteria to the granting of special consideration. Before applying for special consideration students should carefully read the University’s policy. The policy can be found at:


Please note students wishing to submit special consideration forms must do so through the official university channels of SOLS, any other form of submission will not be accepted.

**C1.3 Student Academic Grievance Policy**

The Faculty of Commerce aims to provide a fair, equitable and productive learning environment for all its students. The Student Academic Grievance Policy seeks to support the achievement of this goal by providing a transparent and consistent process for resolving student academic grievances.

Any student who has a grievance over a result should obtain a Faculty of Commerce Appeal of Assessment Form from the Schools or the Sub-Dean’s Unit. The student should firstly take the form to the marker/lecturer to discuss the matter and, if the student is still not satisfied, s/he should take the next step as outlined on the form.

Once the grievance has been considered by the Faculty, if the student still feels the situation has not been fully resolved s/he may consult the Dean of Students. However, the Dean of Students can have no input into the academic judgement of the lecturer and can only review the grievance to ensure proper procedure has been followed.

For more information, please consult the policy in full at


**C2 FACULTY AND SCHOOL POLICIES**

**REFERENCING**

**WHY DO YOU NEED TO REFERENCE?**

At University it is necessary to acknowledge the sources of information and ideas that you have incorporated in your assignments. Failure to do this thoroughly may result in accusations of plagiarism: this is the academic equivalent of stealing (because by not acknowledging someone else's work, you are presenting it as your own). Plagiarism is taken very seriously by the University and may result in expulsion from the University.

Referencing is not only about acknowledging other people's work: accurate referencing and lists of references are beneficial when researching a topic as they allow the reader to follow up information and read further into the area. In a sense, references provide readers with clues to help them explore different avenues of a topic. This aspect of referencing will become more valuable to you as you progress in your studies.

There is a correct procedure that must be followed when referencing and using footnotes. Not complying with these set techniques and format will most likely result in loss of marks.

When writing an essay it is easiest to reference as you go, making sure you are writing down all relevant information. This will save hours trying to find the source again in the library.

**THE HARVARD SYSTEM OF REFERENCING**

The Faculty of Commerce uses the Harvard system of referencing. This system makes use of short references within the body of the text. It is supplemented by a detailed list of references at the end of the text, which provides all the information necessary to find the source material. In-text references include the author and year of publication, and where necessary the page number(s).

*It is the responsibility of students to ensure that they are familiar with the Harvard system of referencing and that they use it accurately in all written work submitted.*
Students should consult the following University Library website for a detailed explanation and examples of the Harvard system of referencing.


**CITATION OF ELECTRONIC SOURCES**

It is necessary for students to reference all sources used in their written work, including file transfer protocol sites, worldwide web sites, telnet sites, synchronous communications (MOOs, MUDs, IRC, etc.) GOPHER sites, and email, Listserv and Newsgroup citations.

*It is the responsibility of students to ensure that they are familiar with the accepted Faculty of Commerce practice for referencing electronic material and that they use it accurately in all written work submitted.*

Students should consult the following University Library website for a detailed explanation and examples of how to reference electronic material.


**C3 SUPPORT SERVICES AND FACILITIES**

**LEARNING RESOURCE CENTRE**

Learning Development offers a range of free services to all enrolled students who wish to improve their academic or English language skills. There are a range of workshops available including; essay writing and editing; reading for assignments; grammar; presentation skills; pronunciation and exam preparation.

For information on language and academic skills workshops, or to make appointments for consultations, please visit the Learning Resource Centre (LRC), Building 19, Ground Floor, Room G102, or Phone 02 4221 3977. For further information visit the website:


**FACULTY LIBRARIANS**

Each faculty has a Faculty Librarian who is available to help with research related enquiries. Research Help; Desk staff are also available in the Library to assist with research needs.

The Faculty Librarians for Commerce can be contacted as follows:

- **email:** lib_commerce@uow.edu.au
- **telephone:** 42 213078

**DISABILITY LIAISON OFFICER**

The **Disability Liaison Officer** (DLO) can provide advice on how particular disabilities affect university study and information on resources available at the University for assisting students with disabilities. Students commencing courses are advised to contact the Disability Liaison Officer prior to the beginning of their first session of study.
For further information on services offered, consult the Disability Services website or contact the office.

web address:  http://www.uow.edu.au/student/services/ds/

telephone:  42 213445

fax:  42 215667

**FACULTY DISABILITY ADVISERS**

Faculty Disability Advisers are academic staff who provide assistance and support to students with disabilities within their Faculty and act as an intermediary between the student and the Faculty's academic and general staff. They provide support, educational advice and referral to appropriate staff on issues related to teaching and learning within the Faculty and the University. Students are advised to communicate specific information about the ways in which their disability affects learning to the Faculty Disability Adviser as soon as possible after enrolment.

The Faculty of Commerce Disability Adviser is Mr. Ron Perrin. Mr Perrin can be contacted as follows:

Office location:  Building 40, room 224

email address:  ron_perrin@uow.edu.au

telephone:  42 214118

**WOLLYUNGAH INDIGENOUS CENTRE**

The Wollyungah Indigenous Centre provides academic and personal support for Aboriginal & Torres Strait Islander and other indigenous students. The Centre also runs an Indigenous Specific Orientation Program for students who gain entry to the University through the alternative admissions program.

For further information on services offered, consult the Woolyungah Indigenous Centre website or contact the office.

Centre location:  Building 30

web address:  http://www.uow.edu.au/aec/

telephone:  42 213563

fax:  42 214244
<table>
<thead>
<tr>
<th>Date</th>
<th>Topics Covered</th>
<th>Chapter</th>
<th>Tutorial Work</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>23 Feb Assurance and auditing: an overview</td>
<td>Chapters 1</td>
<td>No tutorials in week 1</td>
</tr>
<tr>
<td>2</td>
<td>02 Mar Ethics, independence and corporate governance</td>
<td>Chapter 3</td>
<td>Chapter 1, 1.22, 1.24, 1.25 and 1.28</td>
</tr>
<tr>
<td>3</td>
<td>09 Mar The legal liability of auditors</td>
<td>Chapter 4</td>
<td>Chapter 3: 3.14, 3.18, 3.19 and 3.30.</td>
</tr>
<tr>
<td>4</td>
<td>16 Mar Overview of elements of the financial report audit process</td>
<td>Chapter 5</td>
<td>Chapter 4: 4.17, 4.18, 4.22 and 4.29.</td>
</tr>
<tr>
<td>5</td>
<td>23 Mar Planning, knowledge of the business and evaluating strategic business risk</td>
<td>Chapter 6</td>
<td>Chapter 5: 5.17, 5.21, 5.27 and 5.29,</td>
</tr>
<tr>
<td>7</td>
<td>06 Apr Understanding and assessing internal control</td>
<td>Chapter 8</td>
<td>Chapter 7: 7.11, 7.12, 7.14 and 7.21, CCS 7.25</td>
</tr>
<tr>
<td>8</td>
<td>13 Apr Tests of control</td>
<td>Chapter 9</td>
<td>Chapter 8: 8.12, 8.18, 8.25 and 8.28. CCS 8.30</td>
</tr>
<tr>
<td>17 – 21 Apr – Vice-Chancellors Week – No lectures or tutorials &amp;</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>04 May Audit sampling</td>
<td>Chapter 11</td>
<td>Chapter 10: 10.16, 10.19, 10.21 and 10.27, CCS 10.34</td>
</tr>
<tr>
<td>11</td>
<td>11 May Completion and review</td>
<td>Chapter 12</td>
<td>Chapter 11: 11.20, 11.22, 11.23 and 11.25</td>
</tr>
<tr>
<td>12</td>
<td>18 May The auditor’s reporting obligations</td>
<td>Chapter 13</td>
<td>Chapter 12: 12.11, 12.12, 12.21, and 12.25, CCS 12.30</td>
</tr>
<tr>
<td>13</td>
<td>25 May Other assurances services, internal audit and semester review</td>
<td>Chapters 14 &amp; 15</td>
<td>Chapter 13: 13.15, 13.19, 13.20 and 13.28</td>
</tr>
</tbody>
</table>