ACCY962 Subject Program, Autumn Session 2004
Wollongong Campus

Credit points: 6

Phil Venables
Building 40, Room 304
Telephone 02 4221 5376
Email: venables@uow.edu.au
Subject Description and Objectives

Auditing is integral to modern accounting practice. An examination of modern auditing, together with the legal environment which impacts upon it, is provided in this subject.

On successful completion of this subject, students should:

- Understand contemporary risk and assurance approaches to audit.
- Have a working knowledge of Australian Auditing standards and auditors liability.
- Be able to apply concepts of assurance, compliance and business risk to the auditing process.
- Have a working understanding of the fundamentals of information systems audit and the use of Generalized Audit Software (GAS).

Subject Coordinator and Lecturers

Mr Phil Venables
Building 40, Room 304,
Telephone 02 4221 5376
Email: venables@uow.edu.au
Consultation times:
Wednesday 13:00 – 15:00
Thursday 14:00 – 16:00

Ms Sandra Chapple
Building 40, Room 301,
Telephone 02 4221 4006
Email: schapple@uow.edu.au
Consultation times:
Wednesday 13:00 – 15:00
Thursday 14:00 – 16:00

(Emails will be answered during consultation hours)

Method of Delivery

Lectures

The subject material will be delivered during one 2 hour lecture per week. To be successful in this subject you will need to understand the issues covered by the lecturer. Lecture notes made available to students will only offer a brief outline of the material covered in lectures. The lecture will provide the focus for introduction of new material.

Tutorials and Computer Laboratories

Tutorials are conducted weekly, commencing in the second week of semester.
questions. You are expected to attempt all tutorial questions before coming to class. Tutorial attendance is recorded.

Additional exercises and quizzes will be conducted within tutorials. This provides a way for you to assess your areas of weakness and to practice answering short answer theory questions.

The computer laboratory will introduce students to Computer Assisted Audit Techniques (CAATs). Students will work through three exercises in the laboratories for subsequent submission. There will be no tutorials during the weeks when the laboratories are running. Computer labs will run in teaching weeks 7, 9 and 11 of the semester.

### WebCT

A WebCT subject site has been established for ACCY962. It is very important that you regularly access this site. Lecture notes, tutorial exercises and resources that are essential for your successful completion of this subject will be posted to this site.

### Study Time

This subject carries 6 credit points. The university has determined that each credit point translates into approximately 2 hours per week, including contact hours. This indicates that you should be committing 9 to 10 non-contact hours per week to this subject.

### Lecture/Tutorial Times

#### Lectures

<table>
<thead>
<tr>
<th>Day</th>
<th>Time</th>
<th>Venue</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>17:30 to 19:30</td>
<td>20.3</td>
</tr>
</tbody>
</table>

#### Tutorial / Laboratory Times

<table>
<thead>
<tr>
<th>Day</th>
<th>Time</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Monday</td>
<td>10:30 to 11:30</td>
<td>10:30 to 11:30</td>
<td>11:30 to 12:30</td>
</tr>
<tr>
<td></td>
<td>12:30 to 13:30</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>15:30 to 16:30</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>16:30 to 17:30</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Required Texts


*Assurance and Auditing, Concepts For A Changing Environment*, South-Western Thompson Learning, Australia.
Recommended Supplementary Texts


Library

<table>
<thead>
<tr>
<th>Service</th>
<th>Telephone</th>
<th>Web</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telephone</td>
<td>02 4221 3548</td>
<td><a href="http://www-library.uow.edu.au">http://www-library.uow.edu.au</a></td>
</tr>
<tr>
<td>Web</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Purchasing of books

<table>
<thead>
<tr>
<th>Service</th>
<th>Telephone</th>
<th>Web</th>
</tr>
</thead>
<tbody>
<tr>
<td>UniShop</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Telephone</td>
<td>02 4221 8050</td>
<td></td>
</tr>
<tr>
<td>Facsimile</td>
<td>02 4221 8055</td>
<td></td>
</tr>
<tr>
<td>Email</td>
<td><a href="mailto:unishop@uow.edu.au">unishop@uow.edu.au</a></td>
<td></td>
</tr>
</tbody>
</table>

Subject Requirements and Method of Assessment

Any student failing to complete **ANY** of the compulsory subject requirements may fail the subject as a whole and receive a fail grade. It is compulsory that students meet the following requirements:

Compulsory Subject Requirements

1. Computer laboratory submissions as specified in the laboratory exercises.
   a. Due date: 17:00 May 21.
   b. Submission without a cover sheet **will not be accepted** (see guidelines below).
   c. Posted, faxed or email submissions **will not be accepted**.
   d. Late submission penalty: 2 marks per day.
2. Submission of major essay.
   a. Due date: 17:00 April 30.
   b. Submission without a cover sheet **will not be accepted** (see guidelines below).
   c. Posted, faxed or email submissions **will not be accepted**.
   d. Late submission penalty: 2 marks per day.
3. Achievement of at least 50% in the final exam and at least 50% overall.
Extension on Submission Deadlines

Extension of time for laboratory and major essay submissions will only be granted in extenuating circumstances and by arrangement with the subject coordinator prior to the due date.

Assessment

There are three principal areas of assessment in ACCY962:

1. Tutorial And Computer Laboratories.
   Marks will be allocated as follows:
   - Tutorial Quizzes and Participation: 10%
   - Laboratory Submissions: 20%

2. Major Essay: 20%

3. Final Examination: 60%
   Comprising a three hour exam.

Marks may be subject to scaling.

Performance Grades

<table>
<thead>
<tr>
<th>Grade</th>
<th>Description</th>
<th>Minimum to Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>HD</td>
<td>High Distinction</td>
<td>85–100%</td>
</tr>
<tr>
<td>D</td>
<td>Distinction</td>
<td>75–84%</td>
</tr>
<tr>
<td>C</td>
<td>Credit</td>
<td>65–74%</td>
</tr>
<tr>
<td>P</td>
<td>Pass</td>
<td>50–64%</td>
</tr>
<tr>
<td>F</td>
<td>Fail (unsatisfactory completion)</td>
<td>0–49%</td>
</tr>
</tbody>
</table>

Summary of Assessment Tasks

<table>
<thead>
<tr>
<th>Task</th>
<th>Weighting</th>
<th>Due Date</th>
<th>Return date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Task 1</td>
<td>10</td>
<td>To Be Advised in Tutes.</td>
<td>2 weeks after submission.</td>
</tr>
<tr>
<td>Lab Submissions</td>
<td>10</td>
<td>21 May</td>
<td>During study recess.</td>
</tr>
<tr>
<td>Task 2</td>
<td>20</td>
<td>30 April.</td>
<td>During study recess.</td>
</tr>
<tr>
<td>Task 3</td>
<td>60</td>
<td>As per UOW exam timetable.</td>
<td></td>
</tr>
</tbody>
</table>

Special Consideration

University policy requires students who, through serious illness or other circumstances beyond
The evidence should be submitted to Student Inquiries Office. Students should make their request online using SOLS http://www.uow.edu.au/student/.

### Supplementary Examinations

Students should note that supplementary examinations are **not** an automatic entitlement on the submission of a request for special consideration. In cases where the decision is made to allow a supplementary examination, students will usually be required to take the examination at a date to be determined by the School within three weeks of the end of the formal examination period. Students will be notified of the exam at least seven days beforehand. It is every student’s responsibility that the University has a correct record of your current address.

Full details of the University’s policy regarding special consideration are available on the web at http://www.uow.edu.au/handbook/courserules/specialconsideration.html

### Disability Policy

If a student with a disability requires reasonable accommodation in this subject, they are strongly advised to discuss the issues early in the session with one of the following people: the Disability Liaison Officer, Faculty Disability Adviser and/or the Subject Co-ordinator. Students with a disability should also register with the University of Wollongong Disabilities Unit. More details can be found on the web at http://www.uow.edu.au/student/services/disabl.html

### Non Discriminatory Language

Students are expected to read and adhere to the University of Wollongong policy on Non-discriminatory Language Practice and Presentation in the Undergraduate Calendar. It is expected students will use non-sexist and non-racist language.

### Receipt of Assessment Tasks

It is **your** responsibility to ensure that you have a receipt signed by your lecturer/tutor, acknowledging submission of written work.

### Return of Assessment Submissions

The major essay and laboratory submissions will be available for pickup from the subject coordinator during the study recess. Results of tutorial quizzes will be made available to students within the following two tutorials.

### Major Essay Guidelines

**Non-Discriminatory Language Practice and Presentation**
Acknowledgement Practice / Plagiarism

“Plagiarism means using the idea of someone else without giving them proper credit. That someone else may be an author, critic, journalist, artist, composer, lecturer, tutor or another student. Intentional plagiarism is a serious form of cheating. Unintentional plagiarism can result if you don’t understand and use the acceptable scholarly methods of acknowledgement. In either case, the University may impose penalties which can be very severe” (UOW Calendar 2001). Clear guidelines on the University’s attitude towards plagiarism are located at the following web address:


Form of Presentation

- The essay should not exceed 1200 words (anything in excess of this will not be read) and must be typed using double line spacing with a 12 point font.
- Diagrams and charts may be hand prepared, but must be drawn using a flowcharting template and not drawn freehand.
- The essay must include:
  - referencing within the body of the essay following the method used in the Accounting, Auditing and Accountability Journal.
  - a reference list at the end of the essay conforming to that used in the Accounting, Auditing and Accountability Journal.

Students who fail to reference adequately and honestly will be heavily penalized.

Cover Sheet

Students must include a word processed cover sheet attached to the front of their case study, specifying:

- Student Name (Please give full name, include any other name you use in class, underline surname).
- Student Number
- Subject Number
- Plagiarism / acknowledgement declaration signed and dated stating the following:

  I, ___________________ declare that I have read, understood and adhered to the University of Wollongong policies on Plagiarism / Acknowledgment Practice and Non-discriminatory Language Practice and Presentation.
  
  Signature_______________________ Date_________________

The School of Accounting and Finance Assessment Cover Sheet is available at the following web address:

## Teaching Program

<table>
<thead>
<tr>
<th>WEEK</th>
<th>DATE</th>
<th>TOPIC</th>
<th>TEXT REFERENCE:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>23 February</td>
<td>Administration. Introduction to assurance services and the audit profession.</td>
<td>Ch1, Ch2</td>
</tr>
<tr>
<td>2</td>
<td>1 March</td>
<td>Overview of auditing, the audit risk model and audit evidence.</td>
<td>Ch3</td>
</tr>
<tr>
<td>3</td>
<td>8 March</td>
<td>Business risk and audit planning</td>
<td>Ch 4</td>
</tr>
<tr>
<td>4</td>
<td>15 March</td>
<td>Process controls and the control environment.</td>
<td>Ch5</td>
</tr>
<tr>
<td>5</td>
<td>22 March</td>
<td>Substantive testing.</td>
<td>Ch7</td>
</tr>
<tr>
<td>6</td>
<td>29 March</td>
<td>Audit of Computerized Information Systems</td>
<td>Ch8, Ch6</td>
</tr>
<tr>
<td>7</td>
<td>5 April</td>
<td>The CIS control environment</td>
<td>Ch6</td>
</tr>
<tr>
<td>RECESS</td>
<td>12 April</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>19 April</td>
<td>The revenue cycle.</td>
<td>Ch9</td>
</tr>
<tr>
<td>9</td>
<td>26 April</td>
<td>The expenditure cycle</td>
<td>Ch11</td>
</tr>
<tr>
<td>10</td>
<td>3 May</td>
<td>Assets and treasury</td>
<td>Ch12, Ch13</td>
</tr>
<tr>
<td>11</td>
<td>10 May</td>
<td>Auditors’ professional liability.</td>
<td>Ch16</td>
</tr>
<tr>
<td>12</td>
<td>17 May</td>
<td>Audit completion and reporting.</td>
<td>Ch15</td>
</tr>
<tr>
<td>13</td>
<td>24 May</td>
<td>Audit sampling. Internal auditing.</td>
<td>Ch14, Ch17</td>
</tr>
</tbody>
</table>
When auditors are auditing, they are making observations and collecting objective evidence (data). They are seeking to verify that financial and management requirements are met. They must do this by collecting hard evidence, not hearsay or promises. Evidence produced as a result of the activity may be tangible objects, records, or eyewitness accounts. Auditors must be familiar with auditing techniques and the standards they are auditing against. What auditors observe is not always straightforward or obvious, so they must be able to judge whether the intent is being met or addressed. The objective evidence and method of collecting the evidence will form the basis of the audit report.

Critically discuss the above statement, giving reasons for either agreeing or disagreeing. Your answer should incorporate examples that support the viewpoint adopted in your essay.

Due Date: 17:00, 30th April 2004
Extension of time for major essay submission will only be granted in extenuating circumstances and by arrangement with the subject coordinator prior to the due date.

Subject Grade Weighting: 20%
Major Essay Guidelines

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