ACCY962
Professional Practice Auditing and EDP
Subject Program, Autumn Session 2003
Wollongong Campus

Credit points: 6
### 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 Lecturer

Mr Phil Venables  
Building 40, Room 304, Telephone 02 4221 5376  
Email: venables@uow.edu.au  
(Emails will be answered during consultation hours)

Consultation times:
- Monday 09:30 – 10:30
- Wednesday 09:30 – 10:30
- Thursday 09:30 – 11:30

### Student Administration

Telephone 02 4221 5376  
Facsimile 02 4221 4322  
Email studeng@uow.edu.au

### Library

Telephone 02 4221 3548  
Web http://www-library.uow.edu.au

### Purchasing of books

UniShop  
Telephone 02 4221 8050  
Facsimile 02 4221 8055
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.

Subject Details

Seminars

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.

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Tutorials and Computer Laboratories

Tutorials will include both questions set from the textbook and discussion sessions. The discussion sessions will focus on auditing issues identified in relevant papers or articles set for review. Students will be allocated a paper for which they will lead the tutorial discussion.

All students will hand in a brief review of the paper being discussed at the beginning of each discussion session. It is expected that all students will be familiar with the material in order to contribute effectively to the discussion.

The computer laboratory will introduce students to Audit Command Language (ACL). 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.

Subject Website

A subject website for ACCY962 will be operating on the Neelix server. Lecture notes, tutorial and computer lab information, readings, assignments and subject messages will all be posted on this site. The Website address is below:

Textbook


Recommended Supplementary Texts


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

- Submission of review briefs for papers being presented as per subject details above.
- Submission of computer laboratory printouts as specified in the laboratory exercises.
  - Due date: To be advised.
  - Late submission penalty: 2 marks per day.
- Submission of case study.
  - Due date: To be advised.
  - Submission in person to subject co-ordinator.
  - Submission without a cover sheet will not be accepted (see case study guidelines below).
  - Posted, faxed or email submissions will not be accepted.
  - Late submission penalty: 2 marks per day.
- Attendance and submission of mid semester test.
- Achievement of at least 45% in the final exam and at least 50% overall.
  
  Marks may be subject to scaling.
Assessment

The composite mark will be made up as follows:

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<td>Tutorial and laboratory submissions</td>
<td>10%</td>
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<td>Case study</td>
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<td>Final examination</td>
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<td><strong>Total</strong></td>
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Return of Assessment Submissions:

Tutorial review briefs will be returned to students two weeks after submission. The case study and laboratory submissions will be available for pickup from the subject coordinator during the study recess.

Supplementary Examinations:

- May only be permitted in extenuating circumstances such as verified illness beyond the student’s control or for religious reasons.
- All applications for special consideration are to be made on the appropriate form and submitted to the Academic Registrar’s Division, not the department.
- Students should note that supplementary examinations are not automatically granted when forms for special consideration are submitted.

Accommodation for Disability:

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, the Faculty Disability Advisor and/or the Subject Coordinator. For the faculty of Commerce please contact the Sub Dean, Mr Ron Perrin in room 40-311, telephone 02 4221 4118.

Case Study Guidelines

Non-Discriminatory Language Practice and Presentation

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.
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).

Form of Presentation

- The case study is to be presented as a report to management, addressing each of the criteria as specified in the case study requirements.
- The narrative sections of the report should not exceed 1600 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.

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_______________
### Introduction To Audit and Assurance Services
- The Audit Expectation Gap

### The Audit and Assurance Profession
- Ethics
- Independence
- Corporate Governance
- Legal Liability

### Irregularities
- Types
- Assessment of Inherent Risk
- Statistical Techniques
- The Internal Control Environment

### Audit of Financial Statements
- The Audit Expectation Gap
- The Audit Risk Model

### Control Risk
- Initial Assessment of Controls
- The CIS Control Environment
- CIS Audit Issues and CAATs

### Audit Testing
- Sampling
- The Revenue Cycle
- The Expenditure Cycle
- Tests of Balances

### Financial Report Assertions
- Audit Evidence
- Management Representations
- External Confirmations

### Completing the Audit
- Audit review
- The Audit Report
- Communications to Management

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