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 Teaching Team

Mr Phil Venables  
Coordinator  
Building 40, Room 304,  Telephone  02 4221 5376  
Email: venables@uow.edu.au

Dr Kathy Cooper  
Building 40, Room 324,  Telephone  02 4221 3392  
Email: kathie_cooper@uow.edu.au

Mrs Kellie McCombie  
Building 40, Room 310,  Telephone  02 4221 4003  
Email: kellie_mccombie@uow.edu.au

### 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

#### Lectures

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 be held in two parts, a theoretical and an application stream. Both streams are of equal importance to the development of your understanding of auditing.
## Lectures Times

<table>
<thead>
<tr>
<th>Day of Week</th>
<th>Time</th>
<th>Venue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuesday</td>
<td>15:30 – 17:30</td>
<td>14.G01</td>
</tr>
<tr>
<td>Thursday (Repeat Lecture)</td>
<td>17:30 – 19:30</td>
<td>35.G19</td>
</tr>
</tbody>
</table>

## Tutorials and Computer Laboratories

Tutorials will include both set questions and group presentations by students. The presentations will be based on a relevant paper to be allocated in tutorials two weeks prior to the presentation date. Class discussion of issues arising from the presentation will be lead by the presenting group. It is expected that students will find supporting articles for their presentation. The week following the presentation, the presenting group will submit a detailed précis and critique of their assigned article. Issues discussed in the presentation should aid in the critique.

All students not presenting will hand in a brief review of the paper being presented at the beginning of each presentation (see appendix 1). It is expected that all students will be familiar with the material in order to contribute effectively to the discussion.

The computer laboratory (teaching weeks 5 – 9) will introduce students to Audit Command Language (ACL). Building on experience gained in these laboratories the major assignment will contain a computer database analysis.

## Subject Requirements

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 group case study.
  - Due date: To be advised.
  - 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.
- Achievement of at least 45% in the final exam and at least 50% overall.
Assessment

The composite mark will be made up as follows:

- Seminar presentation, précis and critique. 12%
- Review briefs. 8%
- Required laboratory submissions. 5%
- Case study. 20%
- Final examination 55%

Marks may be subject to scaling.

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 40-224, 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 / Acknowledgement Practice and Non-discriminatory Language Practice and Presentation.

  Signature_______________________   Date_______________

**Textbook**


**Recommended Supplementary Texts**


## ACCY342
### TOPICS & READING GUIDE

<table>
<thead>
<tr>
<th>Administration</th>
<th>Introduction To Audit and Assurance Services</th>
<th>Ch 1; Ch2; pp 660-669</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Audit Expectation Gap</td>
<td>Types</td>
<td></td>
</tr>
<tr>
<td>The Audit Risk Model</td>
<td>Assessment of Inherent Risk</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Statistical Techniques</td>
<td></td>
</tr>
<tr>
<td></td>
<td>The Internal Control Environment</td>
<td></td>
</tr>
<tr>
<td>Control Risk</td>
<td>The Audit and Assurance Profession</td>
<td>pp 70-77; pp 77-82; pp 85-91; Ch 4</td>
</tr>
<tr>
<td>Initial Assessment of Controls</td>
<td>Ethics</td>
<td></td>
</tr>
<tr>
<td>The CIS Control Environment</td>
<td>Independence</td>
<td></td>
</tr>
<tr>
<td>CIS Audit Issues and CAATs</td>
<td>Corporate Governance</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Legal Liability</td>
<td></td>
</tr>
<tr>
<td>Sampling</td>
<td>Audit Evidence</td>
<td></td>
</tr>
<tr>
<td>The Revenue Cycle</td>
<td>Management Representations</td>
<td></td>
</tr>
<tr>
<td>The Expenditure Cycle</td>
<td>External Confirmations</td>
<td></td>
</tr>
<tr>
<td>Tests of Balances</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audit Testing</td>
<td>Completing the Audit</td>
<td>pp 567-573; pp 582-588; pp 607-629; pp 629-634</td>
</tr>
<tr>
<td>Performance Auditing</td>
<td>Audit review</td>
<td></td>
</tr>
<tr>
<td>Internal Audit</td>
<td>The Audit Report</td>
<td></td>
</tr>
<tr>
<td>Public Sector Audit</td>
<td>Communications to Management</td>
<td></td>
</tr>
</tbody>
</table>
APPENDIX 1

Author & Title of Article/ Chapter:

Title of Book/ Journal in which reading occurred:

Year of Publication: Vol. No. (Journal)
Issue No. (Journal) Page Nos.

Summarise in three or four sentences what you thought the reading was about.

How easy or difficult did you find the reading? (please circle your choice):

Very Difficult Moderately Difficult Reasonable Easy

What is the question the author is raising in the early part of the reading? e.g. What is the issue? Who says it’s an issue? In what sense is it an issue?
What evidence does the author offer to show that this is a relevant issue to be discussing?

Write down a quote from the reading that sums up the author’s point of view.

Write down three points from the reading which could be discussed at the tutorial. These may be things you do not understand, agree or disagree with or things that occurred to you as you read the paper.
1. 

2. 

3.