

# Unit Outline (Higher Education)

**Institute / School:** Institute of Innovation, Science & Sustainability

**Unit Title:** AUDITING

**Unit ID:** BUACC3741

**Credit Points:** 15.00

**Prerequisite(s):** (BUACC1508)

**Co-requisite(s):** Nil

**Exclusion(s):** Nil

**ASCED:** 080101

**Description of the Unit:**

This unit enables students to develop an understanding of the underlying concepts, practice, theory, legal and ethical issues of auditing. The unit considers the audit function as it relates to the assurance engagement framework and how legislation and accounting and auditing standards provide guidance on completing the audit. It also considers issues of auditor independence, ethical threats and safeguards; client acceptance; management assertions; audit risk; the internal control environment and the attainment of sufficient and appropriate audit evidence. Other areas include auditor liability and completion of the audit report. Each topic begins with a critical review of key theoretical concepts that are then applied to practical settings.

**Grade Scheme:** Graded (HD, D, C, P, MF, F, XF)

**Work Experience:**

No work experience: Student is not undertaking work experience in industry.

**Placement Component:** No

**Supplementary Assessment:** Yes

Where supplementary assessment is available a student must have failed overall in the Unit but gained a final mark of 45 per cent or above, has completed all major assessment tasks (including all sub-components where a task has multiple parts) as specified in the Unit Description and is not eligible for any other form of supplementary assessment

**Course Level:**

Level of Unit in Course	AQF Level of Course					
	5	6	7	8	9	10
Introductory	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Intermediate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Advanced	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Learning Outcomes:

This course enables students to develop an understanding of the audit function.

### Knowledge:

- K1.** Identify and explain the nature and the purpose of auditing.
- K2.** Identify the internal and external factors influencing business operations and how they relate to the evaluation of audit risk.
- K3.** Evaluate the role played by the external auditor, internal auditor and audit committee in providing an appropriate level of assurance to stakeholders.
- K4.** Explain the regulatory and professional requirements of auditors, auditing standards and professional pronouncements.
- K5.** Identify sufficient and appropriate audit evidence as it relates to underpinning management assertions and the provision of an audit opinion.
- K6.** Critically evaluate recent developments in the field of auditing and the state of auditing theory and practice.
- K7.** Recognise and reflect on the importance of ethical and social considerations in accepting, planning and completing the audit.

### Skills:

- S1.** Discuss the audit and assurance process and the role of auditing standards.
- S2.** Apply theoretical and practical knowledge of the audit function to gain an understanding of an organisations environment.
- S3.** Analyse audit risk by considering materiality and the levels of control and inherent risk in determining an appropriate level of detection risk.
- S4.** Critique the limitations of an audit in terms of sampling and non-sampling risk and how professional judgement impacts on the audit function.
- S5.** Collect and integrate information regarding a scenario, then analyse, evaluate and form an appropriate audit opinion.

### Application of knowledge and skills:

- A1.** Apply appropriate auditing knowledge and skills in diverse business environments.
- A2.** Exercise critical thinking and judgement and apply it to the forming of an audit opinion.
- A3.** Use initiative and judgment to consider how professional scepticism and auditor independence impact on obtaining sufficient and appropriate evidence to verify management assertions.

### Unit Content:

Topics may include:

- the nature and function of different types of audit/assurance engagements

- ethical, professional and legal aspects of appointment to, and conduct of, audit/assurance engagements
- Audit trinity (external auditor/Internal auditor/audit committee)
- the audit risk model and planning audit/assurance engagements
- the design and conduct of appropriate audit/assurance tests
- evaluating audit/assurance evidence
- audit/assurance reporting
- internal and operational auditing and other assurance services
- current developments and controversies in auditing/assurance services

#### Learning Task and Assessment:

Learning Outcomes Assessed	Assessment Tasks	Assessment Type	Weighting
K1, K2, K3, K6, K7 S1 A1	Review of selected topics	Test	10% - 20%
K3, K4, K5 S2, S3, S4, S5 A1, A3	Group case study and/or task	Written assignment	30% - 40%
K1, K2, K3, K4 S1, S2, S3, S5 A1, A2	Comprehensive review of all topics	Invigilated exam	40% - 50%

#### Adopted Reference Style:

APA

Refer to the [library website](#) for more information

Fed Cite - [referencing tool](#)