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**Prescription: 605 INTERNAL AUDITING**


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**Elective prescription****Level** 6**Credit** 20**Version** 2**Aim** Students will understand the role of internal auditing in the corporate governance framework.**Prerequisites** Recommended 400 Accounting Principles and 530 Organisation and Management or equivalent knowledge and skills.**Recommended Prior Knowledge****Assessment weightings**

Learning outcomes	Assessment weighting %
1. Students will understand the purpose of internal auditing and its relationship to corporate governance.	15
2. Students will understand and evaluate the concept of organisational risk and risk management.	20
3. Students will understand internal controls and apply relevant standards and frameworks to evaluate and report findings.	58
4. Students will explore the dynamics of corporate governance, risk management and internal auditing.	7
<b>Total</b>	<b>100</b>

All learning outcomes must be evidenced; a 10% aggregate variance is allowed.

**Assessment notes**

1. Assessment materials should reflect relevant and current legislation, standards, regulations and acknowledged good industry/business practices.

**Learning outcome one**

Students will explore the dynamics of corporate governance, risk management and internal auditing.

Key elements:

- a) Background of internal auditing.
- b) Current scope of internal auditing.
- c) The role of Institute of Internal Auditors.
  - *Code of Ethics and International Standards for the Professional Practice of Internal Auditing.*
- d) Corporate governance:
  - rules versus principles
  - audit committee
  - internal audit charter
  - role of the Board.

**Learning outcome two**

Students will understand and evaluate the concept of organisational risk and risk management.

Key elements:

- a) Types of risk.
- b) Risk management standards:
  - Australian/New Zealand standard
  - COSO Risk Management Framework.
- c) Fraud:
  - definition
  - types:
    - identity fraud
    - financial fraud.
- d) Analyse a risk situation and make recommendations.
- e) Current develops.

**Learning outcome three**

Students will understand internal controls and apply relevant standards and frameworks to evaluate and report findings.

Key elements:

- a) Internal control:
  - types
  - COSO internal control integrated framework
  - Sarbanes-Oxley
  - Turnbull model.
- b) Apply academic conventions including citation and referencing:
  - reputation
  - public outrage
  - internal or external culture
  - legislation
    - Health and Safety in Employment Act 1992
    - Resource Management Act 1991
    - Fair Trading Act
    - Commerce Act
- c) Financial transaction cycle risks:
  - revenue
  - payroll
  - purchases.
- d) Flowcharting for financial transaction cycle.
- e) Analytical procedures and reporting:
  - preparation
  - findings
  - interpretation
  - recommendation.

**Learning outcome four**

Students will explore the dynamics of corporate governance, risk management and internal auditing.

Key elements:

- a) Current issues:
  - research
  - evaluate.

**Status information and last date for assessment for superseded versions**

<b>Process</b>	<b>Version</b>	<b>Date</b>	<b>Last Date for Assessment</b>
Introduced	1	2006	31 December 2018
Review	2	July 2014	31 December 2018

EXPIRING