



Australian Government

Department of Education, Employment and Workplace Relations

PSPREG417A Undertake compliance audits

Revision Number: 3

PSPREG417A Undertake compliance audits

Modification History

Release	TP Version	Comments
3	PSP12V1	Unit descriptor, application of unit, range statement and evidence guide edited.
2	PSP04V4.2.	Layout adjusted. No changes to content.
1	PSP04V4.1	Primary release.

Unit Descriptor

This unit describes the performance outcomes, skills and knowledge required to perform comprehensive compliance audits. It includes assisting in and undertaking preliminary audit planning, undertaking compliance audits as a member of a team, dealing with audit issues, and contributing to the reporting and presentation of audit findings.

No licensing, legislative, regulatory or certification requirements apply to this unit at the time of endorsement.

Application of the Unit

This unit applies to individuals in a range of regulatory work environments who undertake compliance audits against regulatory requirements in legislation or accreditation schemes

Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Not applicable.

Employability Skills Information

This unit contains employability skills.

Elements and Performance Criteria Pre-Content

Elements are the essential outcomes of the unit of competency. Together, performance criteria specify the requirements for competent performance. Text in ***bold italics*** is explained in the Range Statement following.

Elements and Performance Criteria

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| 1. Assist in audit planning | 1.1 The <i>audit objectives</i> , scope and focus are identified.
1.2 Relevant <i>operational and information systems</i> in the audit context are identified.
1.3 Audit team roles and key <i>audit techniques</i> are identified.
1.4 An <i>audit plan</i> is prepared that meets organisational requirements and the objectives of the audit.
1.5 <i>Audit documentation</i> is prepared according to organisational policies and <i>guidelines</i> .
1.6 Pre-audit communication is conducted with the client to be audited in accordance with organisational policy and procedures. |
| 2. Undertake preliminary activities | 2.1 <i>Concepts</i> , systems and reports relevant to the audit are identified.
2.2 <i>Analytical checks</i> are performed in accordance with organisational policy and procedures.
2.3 <i>Initial assessment</i> is made, and considered to ensure it is appropriate and accurate.
2.4 Appropriate and significant controls are identified and control tests are designed.
2.5 Risk assessment activities are undertaken to determine <i>risks</i> and risk treatments necessary. |
| 3. Undertake audit activity as a member of a team | 3.1 <i>Sampling techniques</i> are identified to suit audit requirements and are applied according to established procedures.
3.2 <i>Controls</i> are tested and assessed in accordance with the audit plan.
3.3 Substantive testing is conducted.
3.4 <i>Technology</i> is selected and used in line with audit requirements.
3.5 Audit documentation and working papers are prepared according to the established format. |
| 4. Deal with audit issues | 4.1 Situations requiring specialist input are identified and referred for action.
4.2 Situations requiring referral to other areas are identified and referred in a timely manner.
4.3 Issues which arise during the audit are dealt with in a <i>professional manner</i> in accordance with organisational policy and procedures. |
| 5. Contribute to the reporting and presentation of audit findings | 5.1 Audit reports are prepared in the approved format.
5.2 Discussions with the client on audit findings are conducted in a professional manner.
5.3 Internal reports are prepared in the required style and format.
5.4 Final <i>recommendations on action</i> are made according to organisational policies and guidelines, and in a timely manner.
5.5 Responses to audit recommendations are received and the audit |

ELEMENT**PERFORMANCE CRITERIA**

is finalised in accordance with organisational policy and procedures.

5.6 Audit findings are recorded in information management systems in accordance with organisational policy and procedures.

Required Skills and Knowledge

This section describes the essential skills and knowledge and their level, required for this unit.

Skill requirements

Look for evidence that confirms skills in:

- identifying problems and solutions
- using decision making using sound judgment
- undertaking research and analysis
- evaluating conflicting requirements
- using negotiation and conflict resolution techniques
- engaging in teamwork
- using a range of techniques communication including interviewing, listening, briefing, de-briefing, presentation (including co-presentations) and intra-team communication
- adjusting communication to suit different audiences
- responding to diversity, including gender and disability
- writing ongoing and final reports, and official correspondence
- using scanning techniques
- reading complex and formal documents such as legislation and accounting and other company documents
- using information technology for preparing written advice and reports requiring precision of expression
- applying occupational health and safety and environmental legislation and procedures in the context of undertaking compliance audits

Knowledge requirements

Look for evidence that confirms knowledge and understanding of:

- knowledge of principal and allied legislation, policies and procedures including aspects of criminal law and administrative law relating to the outcomes of compliance audits
- principles of auditing as detailed in organisational policies
- duties and responsibilities of auditors
- testing procedures and methods of inquiry
- industry knowledge
- requirements for security of documents and information
- procedures for declaring conflicts of interest
- protocols for reporting fraud, corruption and maladministration
- fundamental ethical principles in the handling of documents and information, natural justice, procedural fairness, respect for persons and responsible care
- other ethics standards such as professional standards
- equal employment opportunity, equity and diversity principles

- public sector values/ethics and code of conduct
- public sector legislation including occupational health and safety and environment relating to compliance audits

Evidence Guide

The Evidence Guide specifies the evidence required to demonstrate achievement in the unit of competency as a whole. It must be read in conjunction with the Unit descriptor, Performance Criteria, the Range Statement and the Assessment Guidelines for the Public Sector Training Package.

Critical aspects for assessment and evidence required to demonstrate competency in this unit

In addition to integrated demonstration of the elements and their related performance criteria, look for evidence that confirms consistency of performance in undertaking compliance audits as a member of a team.

This will include evidence of:

- undertaking at least three actual or simulated compliance audits on three separate occasions or for three different situations/contexts.
- adhering to legal, ethical and organisational requirements relating to compliance auditing

Context of and specific resources for assessment

Assessment must ensure access to a real or simulated workplace environment that closely resembles normal work practice and replicates the range of conditions likely to be encountered while undertaking compliance audits, including coping with difficulties, irregularities and breakdowns in routine.

Access is required to resources such as:

- applicable legislation, policies and procedures
- audit documentation
- case studies and workplace scenarios to capture the range of requirements for situations likely to be encountered
- equipment and resources generally found in an operational audit environment

Method of assessment

Assessment methods suitable for valid and reliable assessment of this unit of competency may include, but are not limited to, a combination of 2 or more of:

- case studies
- demonstration
- observation
- written or oral questions
- scenarios
- simulation or role plays
- authenticated evidence from the workplace and/or training courses

Guidance information for assessment

Assessment methods should reflect workplace demands, such as literacy, and the needs of particular groups, such as:

- people with disabilities

- people from culturally and linguistically diverse backgrounds
- Aboriginal and Torres Strait Islander people
- women
- young people
- older people
- people in rural and remote locations

Range Statement

The Range Statement provides information about the context in which the unit of competency is carried out. The variables cater for differences between States and Territories and the Commonwealth, and between organisations and workplaces. They allow for different work requirements, work practices and knowledge. The Range Statement also provides a focus for assessment. It relates to the unit as a whole. Text in ***bold italics*** in the Performance Criteria is explained here.

Audit objectives should include:

- assessing the level of the client's compliance with legislative requirements
- assessing the adequacy/effectiveness of the client's internal controls
- structure
- helping to improve the auditee's future compliance

Operational and information systems may include:

- file records
- audit history records
- registry files
- sources, records of auditee information
- intelligence systems

Audit techniques may include:

- comprehensive
- focused
- transaction audits
- those based on national standards setting body guidelines

Audit planning includes:

- research
- objectives
- scope
- focus
- coverage of the audit

Audit documentation consists of:

- working papers
- records
- documenting the company's systems
- control and potential error matrix and audit reporting

Concepts may include:

- accounting concepts
- concepts relating to subject of the audit, such as leasehold land condition, contract conditions, lease arrangements, product information, etc

Guidelines may include:

- business rules

Analytical checks may include:

- trends in costs and payments
- trends in quantity/values of products/services

- ratio of input to output
 - actual business practice versus legislation, contract conditions or business rules
- Initial assessment*** may include:
- pre-audit research
 - document reviews
 - desk audit activities
- Risks*** may be:
- low
 - medium
 - high
- Sampling techniques*** may include:
- substantive testing based on:
 - audit methodology
 - sampling methodology based on the size of the audit
 - inspections
- Controls*** may include:
- control and potential error matrix
 - preliminary control assessment
 - control evaluation using matrices
 - identifying reliance on computer controls
- Technology*** may include:
- IT software packages such as:
 - TeamMate
 - Flowcharter
 - Feedback
 - Word
 - Excel
- Professional manner*** includes:
- using appropriate communication skills
 - protocols and ethical client-centred behaviour that preserves the image of the organisation
- Recommended actions*** may be one or more of the following:
- prosecution
 - legal cation on breaches
 - sanctions
 - improvement notices
 - client advice and education
 - leverage
 - industry campaigns
 - referral to another area or organisation
 - prepare evidence relating to alleged breaches

Unit Sector(s)

Not applicable.

Competency field

Regulatory.