



**Australian Government**

**Department of Education, Employment and Workplace Relations**

# **SFICOMP501C Conduct an investigative audit**

**Release: 1**

## SFICOMP501C Conduct an investigative audit

### Modification History

Not Applicable

### Unit Descriptor

<b>Unit descriptor</b>	<p>This unit of competency involves planning, conducting and evaluating an audit to identify and capture evidence of record keeping compliance and unlawful transactions.</p> <p>No licensing, legislative, regulatory or certification requirements apply to this unit at the time of publication.</p>
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### Application of the Unit

<b>Application of the unit</b>	<p>This competency would be undertaken in the context of fisheries management compliance. The purpose of an investigative audit is to identify and capture evidence of record keeping compliance and unlawful transactions. It may occur within a single business only or follow a transaction trail across a number of businesses along the supply chain.</p>
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### Licensing/Regulatory Information

Refer to Unit Descriptor

### Pre-Requisites

<b>Prerequisite units</b>		

## Employability Skills Information

<b>Employability skills</b>	This unit contains employability skills.
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## Elements and Performance Criteria Pre-Content

Elements describe the essential outcomes of a unit of competency.	Performance criteria describe the performance needed to demonstrate achievement of the element. Where bold italicised text is used, further information is detailed in the required skills and knowledge section and the range statement. Assessment of performance is to be consistent with the evidence guide.
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## Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
1. Determine audit risk	<p>1.1. Knowledge of business structures and practices associated with fish processing, wholesale and retail marketing is developed.</p> <p>1.2. Scope of the audit program is determined in the context of relevant fisheries management arrangements, a fraud risk assessment and intelligence available.</p>
2. Develop audit plan	<p>2.1. Initial audit objectives are defined in the context of the type of business being audited.</p> <p>2.2. <b>Resources</b> required to conduct the audit are determined and arrangements made for their allocation.</p>
3. Identify operating systems for the business entity being audited	<p>3.1. Flowchart and working papers documenting the <b>business's operating systems</b> are prepared.</p> <p>3.2. The potential for <b>targeted activity</b> within the business entity's fishing operation is assessed.</p> <p>3.3. The potential for success in locating authentic <b>material information/evidence</b> related to the targeted activity and audit objectives is assessed.</p> <p>3.4. Appropriate <b>audit methodologies</b> and types of material information/evidence are selected.</p>
4. Conduct investigative audit	<p>4.1. Selected audit methodologies are incorporated into the audit plan and adjusted, as required, by the audit progress.</p> <p>4.2. Stocktake is conducted in accordance with the audit plan.</p> <p>4.3. Substantive tests of transactions within the business's operating systems are performed for the time period specified in audit plan, and anomalies and irregularities identified.</p> <p>4.4. Results of investigations are documented.</p>
5. Evaluate, review and report on the audit	<p>5.1. Information/evidence obtained is sufficient, complete, reliable and valid.</p> <p>5.2. Evidence meets jurisdictional requirements for admissibility of evidence.</p> <p>5.3. Audit report is prepared and issued to relevant authorities.</p>

## Required Skills and Knowledge

### REQUIRED SKILLS AND KNOWLEDGE

This section describes the skills and knowledge required for this unit.

#### Required skills

- analysing and solving problems
- working in an orderly and logical manner
- organisational, planning and time management skills to sequence tasks, meet timelines and conduct investigations
- using technology and equipment required to conduct auditing activities.

#### Literacy skills used for:

- developing an audit plan
- conducting an audit
- preparing flow charts and working papers
- reading and interpreting business and processing documentation
- using spreadsheets
- writing audit plans, programs and reports.

#### Numeracy skills used for:

- evaluating transactions
- preparing audit plans, programs and reports.

#### Required knowledge

- audit procedures and techniques, including data pattern matching
- business's operating systems, including product movement, processing, sales, purchases, receivals, inventory and financial
- evidence gathering and maintenance in accordance with rules of evidence
- fraudulent practices used within the seafood industry
- industry business practices.

## Evidence Guide

<b>EVIDENCE GUIDE</b>	
The evidence guide provides advice on assessment and must be read in conjunction with the performance criteria, required skills and knowledge, range statement and the Assessment Guidelines for the Training Package.	
<b>Overview of assessment</b>	
<b>Critical aspects for assessment evidence required to demonstrate competence in this unit</b>	<p>Assessment must confirm an ability to:</p> <ul style="list-style-type: none"> <li>plan, conduct and evaluate an investigative audit according to jurisdictional laws, policies and procedures.</li> </ul> <p>Assessment must confirm knowledge of:</p> <ul style="list-style-type: none"> <li>investigative audit procedures and business operating systems.</li> </ul>
<b>Context of and specific resources for assessment</b>	<p>Assessment is to be conducted at the workplace or in a simulated work environment.</p> <p>Resources may include:</p> <ul style="list-style-type: none"> <li>case study or workplace scenario</li> <li>business-related documentation and operational business to audit.</li> </ul>
<b>Method of assessment</b>	<p>The following assessment methods are suggested:</p> <ul style="list-style-type: none"> <li>questions</li> <li>practical exercises</li> <li>project work</li> <li>demonstration.</li> </ul>
<b>Guidance information for assessment</b>	This unit may be assessed holistically with other units within a qualification.

## Range Statement

<b>RANGE STATEMENT</b>
The range statement relates to the unit of competency as a whole. It allows for different work environments and situations that may affect performance. <b>Bold italicised</b>

**RANGE STATEMENT**

wording, if used in the performance criteria, is detailed below. Essential operating conditions that may be present with training and assessment (depending on the work situation, needs of the candidate, accessibility of the item, and local industry and regional contexts) may also be included.

<b><i>Resources</i></b> may include:	<ul style="list-style-type: none"> <li>• budgetary commitment</li> <li>• computer and data analysis software</li> <li>• full and free (search warrant) access to records</li> <li>• personnel with required knowledge and expertise</li> <li>• vehicles.</li> </ul>
<b><i>Business's operating systems</i></b> may include:	<ul style="list-style-type: none"> <li>• finances</li> <li>• inventory</li> <li>• processing</li> <li>• product movement</li> <li>• purchases</li> <li>• receivables</li> <li>• sales.</li> </ul>
<b><i>Targeted activity</i></b> may include:	<ul style="list-style-type: none"> <li>• handling of illegal catches</li> <li>• misrepresentation of: <ul style="list-style-type: none"> <li>• fish catches</li> <li>• inventory stock</li> <li>• products</li> </ul> </li> <li>• money laundering</li> <li>• quota inconsistencies</li> <li>• unrecorded sales.</li> </ul>
<b><i>Material information/evidence</i></b> may include:	<ul style="list-style-type: none"> <li>• business plans, journals and ledgers</li> <li>• cash book/general ledger/computerised accounting systems</li> <li>• energy purchase accounts (e.g. gas and electricity)</li> <li>• fish stocks (e.g. unprocessed and processed)</li> <li>• freight registers</li> <li>• personnel time sheets</li> <li>• product labels</li> <li>• source documents for accounting, including purchase, sales, processing and freight documentation</li> <li>• stock control, processing and accounting instruction manuals</li> </ul>

<b>RANGE STATEMENT</b>	
	<ul style="list-style-type: none"> <li>• telephone records</li> <li>• unrecorded cash floats</li> <li>• vehicle log books.</li> </ul>
<i>Audit methodologies</i> may include:	<ul style="list-style-type: none"> <li>• cross-referencing of documentation between business's operating systems</li> <li>• substantive selection of transactions over a period of time as specified in the audit plan</li> <li>• target specific suppliers, customers, locations, species, stock volume, freight services and times as specified in the audit plan</li> <li>• third-party verification</li> <li>• combination of above methodologies.</li> </ul>

## Unit Sector(s)

<b>Unit sector</b>	Fisheries compliance
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## Co-requisite units

<b>Co-requisite units</b>		

## Competency field

<b>Competency field</b>	
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