

Course Unit Title	Auditing Theory and Practice II		
Course Unit Code	ABSA411		
Type of course unit:	Compulsory		
Level of course unit:	Bachelor (1st Cycle)		
Year of study:	3		
Semester when the unit is delivered:	6 (Spring)		
Number of ECTS credits allocated	6		
Name of lecturer(s):	Dr. Andreas Georgiou		
Learning Outcomes of the course unit	<p>By the end of the course, the students should be able to:</p> <ol style="list-style-type: none"> 1. Examine the procedures in obtaining, accepting and confirming audit engagements. 2. Identify and explain the different components of audit risks and understand their significance to planning the audit. 3. Explain the importance of audit evidence and apply this knowledge to material aspects of the financial statements. 4. Explain the audit procedures for obtaining sufficient and appropriate audit evidence for various types of assets, liabilities and equity. 5. Discuss the role of computer assisted auditing techniques in the audit. 6. Examine the auditing procedures on work done by others and the extent auditors should rely on this work. 7. Explain the purpose of written representations by management and examine the reliability of this evidence. 8. Describe the control objectives, control procedures and tests of control for the various systems including: sales, purchases and payroll amongst others. 9. Examine the procedures undertaken at the review stage of the audit including the subsequent event and going concern review. 10. Construct suitable audit reports based on mini-case study scenarios. Issue appropriate audit opinions based on case-studies scenarios. 		
Mode of Delivery	Face-to-face		
Prerequisites	ABSA408	Co-requisites	NONE
Recommended optional program components	NONE		

Course Contents	<p>It is assumed the content of the modules ABSA 408 and the relevant modules in financial accounting are carried forward to this module.</p> <p>Audit risk and planning: Examine the procedures in obtaining, accepting and confirming audit engagements. Understand the role of engagement letters in the audit. Explain the contents in the letter of engagement. Identify and explain the different components of audit risks and understand their significance to planning the audit.</p> <p>Audit evidence: Distinguish between substantive testing and tests of controls. Explain the substantive procedures that are used for obtaining audit evidence including analytical review techniques. Explain the audit procedures for obtaining sufficient and appropriate audit evidence, amongst others in the areas of: Tangible non-current assets; intangible assets; inventories, receivables, cash and cash equivalents, share capital and reserves; non-current liabilities and, payables. Define audit sampling and explain the need of sampling in the audit. Compare and contrast statistical sampling techniques with non-statistical sampling techniques. Discuss the role of computer assisted auditing techniques in the audit. Examine the auditing procedures on work done by others and the extent auditors should rely on this work. Outline audit techniques that could be used in non-profit organisations. Explain the purpose of written representations by management and examine the reliability of this evidence.</p> <p>Internal Controls and Audit Testing: Explain the different types of computer system controls. Describe the control objectives, control procedures and tests of control for the following systems: sales, other income, purchases, payroll, inventory, cash and cash equivalents and non-current assets. Examine the area concerning communications between the external auditor and the management. Prepare from case study scenarios a letter of weaknesses (of internal controls) and recommendations to management for overcoming these deficiencies.</p> <p>Review of the financial statements: Understand what a subsequent events review is and identify the procedures to be carried out based on case study scenarios. Understand the significance of the going concern concept to the audit and understand the auditors' responsibilities concerning this concept. Understand and apply (to case study scenarios) the going concern review procedures. Explain the procedures the auditor used carry out when finalising the audit.</p> <p>The Independent Audit Report: Understand and explain the contents of an unmodified audit report. Issue appropriate audit opinions based on case study scenarios and produce relevant documentation concerning the following types of audit opinions: emphasis of matter, modified, disclaimer of opinion and/or adverse opinion.</p>
Recommended and/or required reading:	
Textbooks	<ul style="list-style-type: none"> • Kaplan Publishing, F8 Audit and Assurance, Kaplan Publishing, Edition, 2015.
References	<ul style="list-style-type: none"> • Alan Millichamp and John Taylor, Auditing, Cengage Learning, 10th Edition, 2012. • Iain Gray and Stuart Manson, The Audit Process: Principles, Practice and Cases, Sixth Edition, Thomson Learning, 2015. • Graham Cosserat and Neil Rodda, Modern Auditing, 4th Edition, John Wiley, 2016.
Planned learning activities and	The taught part of course is delivered to the students by means of lectures. Lecture notes and presentations are available through the web for students to use in

teaching methods	combination with the textbooks. Lectures are supplemented with class exercises carried out in class and via homework. The students will be asked to complete an assignment during the course.
Assessment methods and criteria	Assignment 20% Test 20% Final Exam 60%
Language of instruction	English
Work placement(s)	NO