

ABSA 412 - Advanced Auditing Theory and Practice II

Course Title	Advanced Auditing Theory and Practice II			
Course Code	ABSA 412			
Course Type	Elective			
Level	BA (Level 1)			
Year / Semester	8 th			
Teacher's Name	Andreas Georgiou.			
ECTS	6	Lectures / week	3	Laboratories/week
Course Purpose	<p>The aim of the module is the interpretation of the financial statements of a firm (given in a mini-case study scenario) and how this is related to the audit and business risk.</p> <p>Students should also identify and describe the work required to meet the objectives of non-audit assignments and construct suitable audit reports that involve advanced aspects of accounting based on mini-case study scenarios.</p> <p>The module also examines the advanced aspects of international accounting standards & international financial reporting standards their application them to mini-case study scenarios.</p> <p>Finally the module aims to appraise current issues and developments in the auditing profession.</p>			
Learning Outcomes	<p>By the end of the lesson, the student will be able to:</p> <ol style="list-style-type: none"> 1. Examine the audit strategy from given information and evaluating different approaches such as audit risk and business risk approaches. 2. Explain and apply the financial accounting assertions when trying to obtain audit evidence for: documentation, related parties, management representations and using the work of other parties. 3. Discuss the role of the reporting accountant in evaluating prospective financial information. 4. Recognise the audit approach when carrying out e-commerce audits. 5. Identify and describe the work required to meet the objectives of non-audit assignments. 6. Construct suitable audit reports that involve advanced aspects of accounting based on mini-case study scenarios. 			

	<ol style="list-style-type: none"> 7. Examine the advanced aspects of international accounting standards & international financial reporting standards and apply them to mini-case study scenarios. 8. Examine the auditor's role in social and environment audits. 9. Evaluate the accounting practice in environmental issues and the possible effects on the audit opinion. 10. Appraise current issues and developments in the auditing profession. 11. Demonstrate university-level communication skills for presentations and written reports. 		
Prerequisites	ABSA 409.	Corequisites	ABSA 308
Course Content	<ul style="list-style-type: none"> • All aspects from previous modules in auditing that is ABSA 408, ABSA 411 and ABSA 409 are carried forward to this module. In addition aspects from previous modules in financial accounting (concerning accounting standards) are carried forward to this module. • The application of advanced aspects of audit and business risk: Analyse the audit strategy based on case study scenarios. Evaluating different approaches such as audit risk and business risk approaches. Evaluate systems audits and statement of financial position (balance sheet) audits. Discuss how business risk affects the audit process. • Audit evidence and its application to the audit: Explain and apply the financial accounting assertions when trying to obtain audit evidence for: documentation, related parties, management representations and using the work of other parties. • Audit related and assurance services: Analyse the difference between audit and assurance assignments. Analyse the characteristics of assurance assignments such as: reviews, agreed upon procedures and compilations. Discuss the role of the reporting accountant in evaluating prospective financial information. Discuss how E-commerce has an effect on audit procedures and apply to case study scenarios. Recognise the procedures carried out in systems reliability reports. • Application of accounting standards to auditing practice: Analyse and apply the accounting standards in the areas of: financial instruments, segmental information, provisions, 		

	<p>contingencies, impairment of assets, pension provisions and related parties amongst others.</p> <ul style="list-style-type: none"> • Outsourcing the internal audit. Evaluate the benefits and drawbacks of outsourcing the internal audit. • Social and environmental audits: Discuss the auditor’s role in social and environment audits. Evaluate the accounting practice concerning environmental issues and its possible effects on the audit opinion. • Advanced aspects concerning the audit report: Evaluate the formats of different types of reports that may be issued for assurance engagements. Critically appraise their effectiveness. • Current issues and developments in auditing: Critically evaluate current developments in auditing and their likely effect on the audit (or audit profession) if implemented.
<p>Teaching Methodology</p>	<p>The taught part of course is delivered to the students by means of lectures, conducted with the help of computer presentations. Lecture notes and presentations are available through the web for students to use in combination with the textbooks.</p> <p>Lectures are supplemented with class exercises carried out in class and via homework. Class exercises for homework are submitted on the e-learning platform for students to attempt and the solutions are posting on the platform at a later date (around one week).</p>
<p>Bibliography</p>	<p><u>Textbooks:</u></p> <p>Kaplan Publishing, Advanced Audit and Assurance (AAA –INT/uk) Study Text, Kaplan Publishing, 2018 edition.</p> <p><u>References:</u></p> <p>BPP, ACCA AA Audit and Assurance, Study Textbook 2019 Edition, BPP Learning Materials, 2019.</p> <p>Kaplan Publishing, Audit and Assurance (AA) Study Text, Kaplan Publishing, 2018 edition.</p> <p>Alan Millichamp and John Taylor, Auditing, Cengage Learning, 10th Edition, 2012.</p> <p>Iain Gray and Stuart Manson, The Audit Process: Principles, Practice and Cases, Sixth Edition, Thomson Learning, 2015.</p> <p>Graham Cosserrat and Neil Rodda, Modern Auditing, 4th Edition, John Wiley, 2016.</p> <p>Andreas Georgiou (2018), Auditors' Perceptions on Impact Of Mandatory Audit Firm Rotation on Auditor Independence - Evidence from Cyprus, Science and Business: Development Ways, No. 3 (81), pp 150-157.</p>

Assessment	<p><u>(a) Methods:</u> Students will be assessed with coursework that involves an assignment (with a written report and presentation), a midterm test and a final exam. The course involves both explaining theoretical concepts and also solving practical problems in auditing.</p> <p><u>(b) Criteria:</u> The assessment criteria can be generalised as follows concerning the area assessed:</p> <ul style="list-style-type: none"> • 86% or more – Excellent application of problem solving skills. • 76%-85% - Very good application of problem solving skills. • 66%-75% - Good application of problem solving skills. • 56%-65% - Satisfactory with some success in applying problem solving skills • 50%-55% -Satisfactory with limited success in applying problem solving skills • Below 50% -Little or no application of problem solving skills. <p><u>(c) Weights:</u></p> <ul style="list-style-type: none"> • Assignment 20% • Mid-term test 20% • Final exam 60%
Language	English.