

JYOTI NIVAS COLLEGE AUTONOMOUS

Programme: B. Com/Int. B. Com - M.Com.

Semester: V

AUDITING AND ASSURANCE

No. of Credits: 3

No. of Hours: 45

COURSE OBJECTIVES:

- To gain basic knowledge of the auditing standards, principles and procedures regarding preparation and verification of financial accounting statements.
- To gain an awareness regarding verification of documentary evidence and its importance in auditing.
- To identify the different ways frauds and errors found in financial statements.

LEARNING OUTCOMES:

- Students are able to study an audit report and analyze the company performance.
- Students are able to do differentiate between internal audit and external audit.
- Students are made aware of the regulations and rules under various acts regarding Auditing.

UNIT 1: INTRODUCTION OF AUDITING [STANDARDS OF AUDITING (SA 200-299)] 09HRS

Auditing – Meaning, Definition, Objectives of an audit – Primary and Secondary objective, Types of Audits –Meaning of errors, Classification of errors, its detection by an auditor, Frauds – meaning, intention, classification and detection by auditor and prevention of frauds by an auditor, Window dressing of financial statements

UNIT 2:AUDIT PLANNING [STANDARDS OF AUDITNG (SA 200 – 599)] 09 HRS

Commencing an Audit – Audit Engagement letter, – (SA 210)Documentation –SA 230 – Audit working papers, Audit files: Permanent and current audit files, Ownership and custody of working papers, Materiality (SA 320),Audit Evidence (SA 500)

UNIT 3: INTERNAL CONTROL (SA 265)

10 HRS

Concept of Internal Control, Internal check and Internal Audit, Objectives, Features of a good Internal Control System, Existing Internal Control Systems followed by an auditor – Questionnaire, Check list and flow chart methods, Evaluation of Internal Control System, Reporting to clients on Internal Control Weakness (SA 265).
Vouching and Verification in specific areas - receipt and payments, sales and debtors, purchase and creditors, cash and bank balance, ‘

UNIT 4: COMPANY AUDITOR

07 HRS

Qualification and Disqualification of an Auditor, Appointment of Auditor, Remuneration,

Duties of an Auditor, Rights & Liabilities of an Auditor as per Companies Act 2013.

UNIT 5: AUDIT REPORT (SA 700 - 799)

10 HRS

Auditors Opinion, Audit Report- Characteristics, Importance and Significance of Audit Report, Types of Audit Report, Qualifications in the Auditors Report - Audit examination, Statement of facts v/s. Expression of opinion, Date of report and signing.

SKILL DEVELOPMENT ACTIVITIES:

- Collect the information about types of audits conducted in any one organization.
- Visit an audit firm; write about the procedure followed by them in auditing the books of accounts of a firm.
- Bank audit process- overview of audit procedures followed by the banks.
- Record the verification procedure with respect to any one fixed asset.
- Prepare a qualified or clean audit report for a given situation.
- Special audit of a hotel, hospital, educational institution and charitable trust (audit any one)
- List out Mandatory Standards issued by ICAI.

BOOKS FOR REFERENCE:

1. B. N. Tandon, S. Sudharsanam and S. Sundharabahu- A Handbook of Practical Auditing -S. Chand & Co. Delhi.
2. B. N. Tandon-Auditing - S. Chandra & Co. Ltd., Delhi.
3. D. P. Jain-Auditing - Konark Publishers Pvt. Ltd, Delhi
4. Dinakar Pagare-Practice of Auditing
5. Dr. T. R. Sharma Auditing - Sahitya Bhavan, Agra.
6. Jagadeesh Prakash-Auditing
7. Kamal Gupta & Ashok Arora-Fundamentals of Auditing - Tata McGraw Hills
8. C. A. Institute study material for Inter and Final examinations

Note: Latest edition of text books may be used.