

# **BUS426E - Auditing**

## **Course responsible**

Iris Stuart, Department of Accounting, Auditing and Law

## **Objectives:**

At the completion of the course, students will be able to:

- Describe auditing standards and explain how they are used during an audit engagement
- Understand the audit procedures used to gather evidence about the effectiveness of internal controls
- Apply the principles of sampling to gather evidence for balance sheet and income statement accounts.
- Resolve ethical dilemmas and learn to give reasoned explanations for their decisions
- Understand the ethics of the accounting profession and the importance of making value-based decisions in the performance of accounting duties

## **Topics**

What is auditing and why is it considered a corporate governance mechanism?

How do auditors perform internal control tests?

Why are risk assessment and materiality important concepts for the auditor?

What is audit evidence? What are the documentation requirements for an audit?

What is the planning process for an audit?

How should the auditor determine whether accounts in the revenue and expenditure business process are materially misstated?

What audit procedures are conducted at the end of an audit?

What are the ethics codes for professional behavior in the auditing profession?

## **Prerequisites**

None.

## **Literature**

Stuart, I. 2012 Auditing and Assurance Services: A Practical Approach. New York City, New York: McGraw-Hill Irwin.

Eilifsen, A. , Messier, W., Glover, S., and Prawitt, D. 2010. Auditing and Assurance Services, Second International Edition. New York City, New York: McGraw-Hill.

## **Teaching**

Lectures and discussion of problem assignments.

## **Requirements for course approval**

Class attendance (80%)

It is expected that students participate in the homework problems and discussion in class.

## **Exam**

Four hour exam written in English.

Grading Scale A - F.

## **Computer tools**

None.

Its learning will be used to distribute course information and handouts.