

Auditing & Corporate Governance

Full Marks – 100

Internal Assessment: 20 marks

Semester-end Examinations: 80 marks

Marks shown against the units indicate marks for Semester-end Examinations only

UNIT – I CONCEPT, NEED AND PURPOSE OF AUDIT **(8M 10L)**

1. Definition-Nature-Scope and Objectives of Independent Financial Audit
2. Basic Principles Governing an Audit, Concept of Auditor's Independence
3. Error and Fraud- Concepts, Means of doing Fraud, Auditor's Responsibility towards Detection and Prevention of Fraud, Difference between Audit and Investigation
4. Classification of Audit – Organization Structure-wise (Statutory, Non-statutory); Objective-wise (Internal and Independent Financial Audit); Periodicity wise (Periodical, Continuous, Interim, Final); Technique wise (Balance Sheet, Standard, Systems, EDP)
5. Standards on Auditing (SA) - Concept and Purpose

(This unit should be studied with SA 200 and SA 240)

UNIT- II AUDIT PROCEDURES AND TECHNIQUES **(12M 15L)**

1. Audit Activities, Auditing Engagement- Preparation by the Auditor- Audit Programme
2. Documentation: Audit Working Paper, Ownership and Custody of Working Paper-Audit file (Permanent and Current) – Audit Note Book – Audit Memorandum.
3. Audit Evidence – Concept, Need, Procedures to obtain Audit Evidence
4. Routine Checking, Test Checking, Cut off procedures, Audit Flow Chart and Auditing in Depth
5. Analytical Procedure and Substantive Testing in Auditing

(This unit should be studied with SA 210, SA 230, SA 300, SA 500, SA 520, SA 530, SA 550 and 580)

UNITS – III AUDIT RISK AND INTERNAL CONTROL SYSTEM **(8M 10L)**

1. Audit Risk – Concept and Types, Relationship with audit materiality
2. Professional Skepticism
3. Internal Control- Definition, Objectives, Evaluation, Internal Control Check List, Internal Control Questionnaire and COSO's Internal Control Framework
4. Internal Check- Definition, Objectives and General Principles on Internal Check for selected transactions
5. Internal Audit- Definition, Objectives, Regulatory Requirement, Use of Internal Auditor's Work by Statutory Auditor

(This unit should be studied with SA 610)

UNIT – IV VOUCHING, VERIFICATION AND VALUATION **(10M 10L)**

1. **Vouching:** Meaning, Objectives - Difference with Routine Checking – Factors to be Considered during Vouching of Different items (to be specified)
2. **Verification and Valuation:** Concept, objectives, Importance, Difference with Vouching, Difference between Verification and Valuation, Verification and Valuation of Different Items (to be specified)

UNIT – V COMPANY AUDIT **(12M 15L)**

1. Qualification, Disqualification, Appointment, Reappointment and Rotation, Casual Vacancy, Removal and Resignation, Ceiling, Remuneration, Rights, Duties and Liabilities of Company Auditor
2. Audit Committee
3. Branch Audit and Joint Audit
4. Divisible Profit and Dividend (Final, Interim and Unclaimed/Unpaid): Provision of the Act and Legal Decisions and Auditor's Responsibility

UNIT – VI AUDIT REPORT AND CERTIFICATE **(6m 10L)**

- Definition – Distinction between Report and Certificate- Different Types of Report
Contents of Audit Report (As per Companies Act and Standards on Auditing)
True and Fair View – Concept
Materiality – Concept and Relevance
(This unit should be studied with SA 315, 320, 330 and 700, 705 and 706)

UNIT – VII OTHER THRUST AREAS **(6M 10L)**

- Cost Audit- Concepts, objectives, Relevant Provisions of Companies Act
Management Audit – Concepts, Objectives, Advantages
Tax Audit – Concepts, Objectives, Legal Provisions
Social Audit – Propriety Audit – Performance Audit – Environment Audit (Concepts only)

UNIT – VIII CORPORATE GOVERNANCE **(10 M 10 L)**

- Conceptual framework of Corporate Governance: Theories & Models, Broad Committees; Corporate Governance Reforms. Major Corporate Scandals in India and Abroad: Common Governance Problems Noticed in various Corporate Failures. Codes & Standards on Corporate Governance

UNIT –IX CORPORATE SOCIAL RESPONSIBILITY **(8M 6 L)**

- Concept of CSR, Corporate Philanthropy, Strategic Relationship of CSR with Corporate Sustainability; CSR and Business Ethics, CSR and Corporate Governance; CSR provisions under the Companies Act, 2013.

SUGGESTED READINGS:

1. Kamal Gupta, Contemporary Auditing, McGraw-Hill Education (India) Ltd.
2. B.N.Tandon, Auditing Practice, Sultan Chand, New Delhi

3. Victor Z. Brink and Herbert Witt, Modern Internal Auditing, A Ronald Press Publication, John

Wiley & Sons

4. R.J. Thirauf, Management Auditing: A questionnaire approach, AMACOM Publication

5. Emile Woolf, Auditing Today, Prentice Hall

6. Basu. S. K., Audit and Assurance: Pearson Education

Note: Latest edition of text books may be used.