



SEMESTER: VI	
COURSE NAME: AUDITING AND ASSURANCE	
COURSE TYPE: Major (Core)	COURSE CODE: C3BC230611T
No. of Weekly Lectures: 5	
CREDIT: 4	MARKS:100

COURSE DESCRIPTION:

The objectives of this course are to enable the learners to understand, conceptualise and develop as well as apply the tools and techniques of auditing along with the principles to be followed in conducting audits of different types of entities. It helps to enrich the students' competence toward different types of audits under varied environment.

LEARNING OBJECTIVES:

The course is designed to help learners to acquire better understanding and conceptual knowledge of:

LO1: To understand the meaning, nature and objectives of auditing and assurance techniques and procedures for conducting audit.

LO2: To develop an understanding about the concepts of generally accepted auditing procedures and different types of audit techniques required to be followed in conducting audit particularly the audit of companies.

LO3: To understand and apply the concept of ethics while performing audit and assurance engagements.

LO4: To learn the audit planning and the application of different standards of auditing in different phases of audit activities.

LO5: To conceptualise the art of audit report writing under different circumstances and the changing dimensions of audit report.

COURSE OBJECTIVES:

CO 1: To get an overview of the fundamental concepts used in auditing along with the objectives and need of conducting audit

CO 2: To understand different types of audit as well as audit engagements along with the new areas of auditing

CO 3: To have a comprehensive idea about the methods of formation of audit strategies and preparation for audit through audit planning and programming in consideration of risk involved and internal control mechanism adopted.

CO 4: To conceptualise different tools and techniques of audit and the procedures to be adopted as prescribed in standards on auditing along with the conduct of company audit.

CO 5: To have an understanding about different types of audit report and the new amendments in report writing by the auditors.

CO 6: To have a clear idea about the ethical issues relating to audit and the status of the independence of the auditors.



Detailed Syllabus:

Unit No.	Unit Name	Topics	Number of Lectures
1.	Nature of Auditing	Concept of Audit- Need for Auditing- Objective of an Audit- Expectation Gap in Auditing- Scope and procedures of Audit, Errors and Fraud in Auditing, Inherent Limitations of Audit- Qualities of an Auditor	5
2.	Audit Engagement	Concept – Types of Audit Engagement - Assurance Engagements – Review - Engagement and Quality Control Standards	5
3.	Different Types of Audit	Classification of Audit - on the basis of Organisation- on the basis of Function - on the basis of Practical Approach- on the basis of Audit Dimension	5
4.	Audit Strategy, Audit Planning and Audit Programme	Audit Activities- Preparatory Steps before Commencement of Audit- Auditor's Responsibility to plan an Audit of Financial Statements- Relation between Audit Strategy and Audit Plan- Overall Audit Strategy and the Audit Plan- Auditor's Responsibility- Continuity Feature of Audit Planning- Planning, Supervision and Review Work- Audit Programme- Documentation: Audit Working Papers- Concept, Purposes, Contents, Responsibility of protection and Preservation, Ownership	10
5.	Risk Assessment and Internal Control	Audit Risk: Concept, Components, Assessment of Audit Risk, Risk Assessment Procedures and Auditor's Response to Assessed Risk: Audit Materiality: Concept, Determination of Audit Materiality, Materiality and Audit Risk- Relationship, Understanding the Entity and its Environment. Internal Control: Concept, Basic Elements, Purpose, Types/Component, Evaluation of Internal Control, Internal Control and the Auditor, Internal Control Check List, Internal Control Questionnaire, COSO's Internal Control Framework, Internal Financial Control as a regulatory requirement, Internal Check as a part of Internal Control	10
6.	Techniques and Procedures of Auditing	Procedures followed in course of Audit, Audit Evidence: Concept, Types, Sources, Methods of Obtaining Audit Evidence, Audit Techniques: Concepts, Important Audit Techniques	5



7.	Audit of Items of Financial Statements	Vouching, Verification and Valuation: Audit of Income Statement Items- Revenue Items, Expense Items- Audit of Balance Sheet Items- Items related to Equity, Non-Current/ Current Liabilities, Provisions and Contingent Liabilities, Non-Current Asset, Current Assets, Intangible Assets	5
8.	Company Audit	Preliminaries before Commencement of Company Audit, Special Requirement of Company Audit, Specific Provisions as regards Accounts in the Companies Act, Company Auditor: Appointment, Rotation, Reappointment, Resignation, Change of Auditors, Appointment of Auditors of Government, Casual Vacancy, Remuneration of Audit, Ceiling of the Number of Audits, Removal of Auditors, Eligibility and Qualification and Disqualification of an Auditor, Signing of the Audit Report, Auditor's Rights, Duties and Liabilities, Audit Committee, Joint Auditors, Branch Auditors	10
9.	Audit Report	Forming an Opinion and Reporting, Essentials of a Good Audit Report, Form and Contents of an Audit Report, Auditor's Report prescribed by Laws and Regulations, Types of Audit Report, Modifications in the Audit Report, Emphasis of Matter Paragraph, Key Audit Matters, Audit Report and True and Fair View, Reporting Requirement under the Companies Act, CARO 2020, Audit Certificates	5
10.	New Areas of Auditing	Cost Audit, Management Audit, Social Audit, Tax Audit, GST Audit, System Audit, Forensic Audit, Environmental Audit	5
11.	Special Audit	Government Audit: Difference between Government Audit and Commercial Audit- CAG, Audit of Local Bodies- Urban Local Bodies and Rural Local Bodies, Audit of NGOs, Audit of LLP, Audit of Charitable Institutions, Audit of Educational Institutions, Audit of Hospitals (including Nursing Home), Audit of Club, Audit of Cinema Halls, Audit of Hotels, Audit of Cooperative Societies	5
12.	Ethics in Auditing and Independence of Auditors	Ethics in Auditing- Meaning, need for Professional Ethics, Fundamental Principles of Professional Ethics; Auditor's Independence- Meaning, Advantages, Threats to Auditor's Independence, Safeguarding independence of the Auditor, Important Facets of Auditor's Independence	5



Suggested Readings

1. B.N.Tandon, Auditing Practice, Sultan Chand, New Delhi
2. Victor Z. Brink and Herbert Witt, Modern Internal Auditing, A Ronald Press Publication, John Wiley & Sons
3. R.J. Thirauf, Management Auditing: A questionnaire approach, AMACOM Publication
5. Emile Woolf, Auditing Today, Prentice Hall
6. Sanjib Kumar Basu, Auditing and Assurance, Pearson
7. Sreemoyee Guha Roy & Soheli Ghose, Auditing and Assurance for Students, Lawpoint Publications
8. Ayan Majumdar & Atish Prosad Mondal, Auditing and Assurance, Tee Dee Publications

Note: Latest edition of text books may be used.

Course Outcome (CO)	Unit No.	Unit Name	CO Statement	Key Action Verbs	Cognitive Level
CO1	Unit 1	Nature of Auditing	To get an overview of the fundamental concepts used in auditing along with the objectives and need of conducting audit.	Summarize, Explain	Understand (K2)
CO2	Units 2, 3, 10, 11	Audit Engagement, Different Types of Audits, New Areas of Auditing, Special Audit	To understand different types of audits as well as audit engagements along with the new areas of auditing.	Demonstrate, Use	Apply (K3)
CO3	Units 4, 5	Audit Strategy, Audit Planning and Audit Programme, Risk Assessment and Internal Control	To have a comprehensive idea about the methods of formation of audit strategies and preparation for audit through audit planning and programming in consideration of risk involved and internal control mechanism adopted.	Organize, Examine	Analyze (K4)
CO4	Units 6, 7, 8	Techniques and Procedures of Auditing, Audit of Items of Financial Statements, Company Audit	To conceptualise different tools and techniques of audit and the procedures to be adopted as prescribed in standards on auditing along with the conduct of company audit.	Justify, Classify	Evaluate (K5), Understand (K2)



CO5	Unit 9	Audit Report	To have an understanding about different types of audit report and the new amendments in report writing by the auditors.	Demonstrate, Execute, Critique	Apply (K3), Evaluate (K5)
CO6	Unit 12	Ethics in Auditing and Independence of Auditors	To have a clear idea about the ethical issues relating to audit and the status of the independence of the auditors.	Support, Justify	Evaluate (K5)