

Course Title	Introduction to Auditing				
Course Code	AEF205				
Course Type	Compulsory				
Level	Bachelor (1 st Cycle)				
Year / Semester	2nd Year / 3 rd Semester				
Teacher's Name	TBA				
ECTS	6	Lectures / week	3 Hours / 14 weeks	Laboratories / week	None
Course Purpose and Objectives	To explain the basic principles of auditing and to develop knowledge and understanding of the audit process both in terms of practical application as well as theoretical background.				
Learning Outcomes	<p>Upon successful completion of this course students should be able to:</p> <ul style="list-style-type: none"> • Explain the need and use of audit and other assurance engagements • Discuss the regulatory environment, professional ethics and corporate governance in relation to the audit • Explain the need for internal audit and understand its differences with external (independent) audit • Explain the need for the risk assessment, audit planning and evidence • Explain the importance of the audit review and the finalization of the audit engagement • Prepare audit reports based on the outcome of the audit engagement 				
Prerequisites	AEF120	Co-requisites	None		
Course Content	<p>1. Introduction to auditing: Define Auditing; understand the development of auditing; the current scene; advantages of an audit; qualities required of an auditor.</p> <p>2. Audit and other assurance engagements Identify and describe the objective and general principle and external audit engagements. Explain the nature and developments of audit and other assurance engagements. Discuss the concepts of accountability, stewardship, agency, true and fair presentation, and reasonable assurance. Explain reporting as a means of communication different stakeholders.</p>				

Define and provide the objectives of an assurance engagement. Explain the five level of assurance engagement, the level of assurance provided by audit and other review engagements

3. Statutory audit and regulations

Describe the regulatory environment within which statutory audits take place. Discuss the reasons and mechanisms for the regulation of auditors. Explain the statutory regulations governing the appointment, removal and resignation of auditors. Discuss the types of opinion provided in statutory audits. State the objectives and principle activities of statutory audit and assess its value. Describe the limitations of statutory audits. Explain the development and status of International Standards on Auditing. Explain the relationship between International Standards on Auditing and national standards

4. Corporate Governance

- √ Codes of corporate governance.
- √ Audit committees
- √ Internal control effectiveness
- √ Communication with those charged with governance

5. Professional Ethics

Define and apply the fundamental principles of professional ethics of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. Define and apply the conceptual framework. Discuss the sources of, and enforcement mechanisms associated with, ACCA's Code of ethics and conduct. Discuss the requirements of professional ethics and other requirements in relation to the acceptance of new audit engagements. Discuss the process by which an auditor obtains an audit engagement. Explain the importance of engagement letters and state their contents.

6. Internal Audit:

- √ Internal audit and corporate governance
- √ Differences between external and internal audit
- √ The scope of the internal audit function
- √ Outsourcing the internal audit department
- √ Internal audit assignments
- √ Internal audit reports

7. Risk Assessment

Identify and describe the need to plan and perform audits with an attitude of professional skepticism. Identify and describe engagement risks affecting the audit of an entity. Explain the components of audit risk and compare and contrast risk based,

	<p>procedural and other approaches to audit work. Discuss the importance of risk analysis and the use of IT in such analysis. Explain how auditors obtain an initial understanding of the entity and knowledge of its business environment. Define and explain the concepts of materiality and tolerable error and compute indicative materiality levels from financial information. Discuss the effect of fraud and misstatements on the audit strategy and extent of audit work. Describe and explain the nature and purpose of analytical procedures in planning and compute and interpret key ratios used in analytical procedures.</p> <p>8. Audit Planning and Documentation: Identify and explain the need for planning an audit and describe the contents of the overall audit strategy and audit plan. Explain and describe the relationship between the overall audit strategy and the audit plan. Develop and document an audit plan and explain the difference between interim and final audit. Explain the need for and the importance of audit documentation, describe, and prepare working papers and supporting documentation. Explain the procedures to ensure safe custody and retention of working papers</p> <p>9. Audit Evidence Explain the assertions contained in the financial statements and the principles and objectives of transaction testing, account balance testing and disclosure testing. Explain the use of assertions in obtaining audit evidence. Discuss the sources and relative merits of the different types of evidence available. Discuss the quality of evidence obtained</p> <p>Recent developments and contemporary issues pertaining to the subject matter of the course.</p>
Teaching Methodology	Face To Face
Bibliography	<p>Howard, L.R.: AUDITING, Latest Edition</p> <p>Stettler, H.F. : AUDITING PRINCIPLES, Latest Edition</p> <p>Robertson, J. Davis, F. G.: AUDITING, Latest Edition</p> <p>Grobstein, M., Loeb S, Neary, R.: AUDITING. A RISK ANALYSIS APPROACH, Latest Edition</p> <p>BPP Notes for F8 –ACCA, Latest Edition</p> <p>Relevant teaching material from the following organizations</p> <p>ACCA - http://www.accaglobal.com/students</p>

	<p>BPP - http://www.bpp.com/acca/papers/f8/</p> <p>Kaplan - http://financial.kaplan.co.uk/TrainingandQuals/Accountancy/ACCA/Pages/default.aspx</p> <p>Marck J. Nigrini. Forensic Analytics, Wiley publishers. Latest Edition.</p> <p>A. Arens et al. Auditing and Assurance Services. Latest Edition.</p> <p>Additional Readings (Journals)</p> <p>Florou, Annita and Shuai, Yuan, The Costs of Public Audit Oversight: Evidence from the EU (April 1, 2020).</p> <p>A. Gold et al. Do key audit matters impact financial reporting behavior? International Journal of Auditing, February 2020.</p> <p>A. Bedford et al. The quality of other assurance services supplied by accounting firms: Evidence from independent expert reports, , International Journal of Auditing, November 2020</p>		
Assessment	Examinations Class Participation and Attendance Assignments	80% 10% 10% 100%	
Language	English		