

MCM5017 PRINCIPLES AND PRACTICES OF AUDITING

| | | | |
|--------------|--|----------|----------|
| Course Code | MCM5017 | Semester | III |
| Course Title | <i>PRINCIPLES AND PRACTICES OF AUDITING</i> | | |
| Credits | 3 | Type | ELECTIVE |

This course shall have 3 lecture hours, 2 practicals, 1 tutorial.

This is a Skill based, employability based course.

Course Objective

To upgrade knowledge in audit techniques and audit standards, understand the procedure of audit and bring about a prevalence of good reporting practice.

Learning Objectives

- To understand the term auditing, its concept, principles and procedures.
- To understand requirements needed for Auditing in accordance with current legal requirements and professional standards.
- To understand the appointment, rights, duties and the liabilities of an auditor.

Course Structure

UNIT I

Auditing Concepts: – Nature, Scope and Significance of Auditing - Basic Principles Governing an Audit- Concept of auditor’s independence- Standards of Auditing - National and International- Gender Audit - Legislative provisions on Auditing- Professional ethics in Auditing- Codes of Professional Ethics - Investigation; Meaning of Investigation- Distinction between investigation and auditing.

UNIT II

Types of Company Audit: Statutory Audit – Internal Audit – Branch Audit – Joint Audit – Special Audit – CAG Audit. Internal Control - Techniques of Internal Control System, Flow Charts, Internal Control Questionnaires - Review of Internal Control.

UNIT III

Audit Engagement and Documentation: Audit Procedures: Audit Plan, Audit Programme, Vouching and Verification – Documentation: Audit Working Papers and Files – Vouching and Verification - Vouching - meaning and importance- Requirements of a voucher - Vouching of various items- Verification – meaning- general principles for verifying assets- Verification and valuation of Assets- Verification and valuation of Liabilities.

UNIT IV

Audit of Limited Companies- appointment- -Qualifications and Disqualifications of an Auditor-

Auditor's remuneration- Auditor's lien- Removal of an auditor- Rights, Powers and Duties of an Auditor -Liabilities of an Auditor – Auditor's Report – content- types.

Practicals

- Detection of errors in accounts.
- Brief study on audit procedure in different organizations.
- Preparation of Auditor's Report.
- Examining the procedure to be followed for vouching and verification.

Skills

- Ability to review financial statements of companies.
- Understand the procedure of vouching and verification.
- Ability to detect frauds and errors in accounts.

Learning/Course Outcomes

- Articulate knowledge of fundamental audit concepts.
- Apply critical thinking skills and solve auditing problems through the use of case studies.
- Demonstrate the use of Auditing, Assurance Standards and the Code of Ethics for professional Accountants

Books for Reference:

1. Bhatia R.C. Auditing, Vikas Publishing House, New Delhi.
2. Dinkar Pagare .Auditing, Sultan Chand & Sons New Delhi.
3. Jagadeesh Prakash . Auditing: Principles and Practices, Chaitanya Publishing House, Allahabad.
4. Kamal Gupta, Ashok Arora : Fundamentals of Auditing: Tata McGraw Hill Education Limited.
5. Kamal Gupta. Contemporary Auditing, Tata McGraw-Hill Publishing Co.Ltd. New Delhi.
6. Saha S S, Statutory Auditor's Ethical Role, Scholar's Press Germany
7. Sanjib Kumar Basu : Auditing and Assurance :Pearson.
8. Saxena and Saravanavel .Practical Auditing, Himalaya Publishing House, Mumbai.
9. Sharma T.R. Auditing, Sahitya Bhawan Publications, Agra.
10. Tandon B.N., Practical Auditing, Chand &Co.Ltd. New Delhi.
11. V Gurumoorthi , R. Jolly Rosalind Silva , R. Swarnalakshmi: Auditing Principles and Practices : Charulatha Publications