

## **DBS SCHOOL OF BUSINESS**

### **LJMU DEGREE PROGRAMMES**

#### **MODULE PROFORMA**

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**Module Title: Auditing**

**Level: 3**

Assessment: Continuous Assessment: 30%

Examination: 70%

Prerequisites: Financial Accounting

Credits:12

#### **Objectives:**

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- To fully familiarise students with the nature, purpose and scope of an audit.
- To develop student understanding of the audit framework, both legal and professional.
- To build student knowledge of practical audit applications, including audit in a computer environment.
- To acquaint students with all aspects of the audit approach including the issues involved in forming an audit opinion.
- To equip students to understand the current and future issues facing the profession.

#### **Learning Outcomes**

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On completion of this module students will be able to:

- Display an awareness of how auditing theory, concepts and principles underpin modern auditing practice.
- Identify and apply audit concepts relating to audit risk; audit judgement; audit evidence; accounting systems and related systems of internal control in both manual and computerised accounting environments.
- Select and apply relevant audit techniques in practical audit situations.
- Display a detailed understanding of the formation and issue of the qualified and unqualified audit opinion.
- Cultivate an interest in and awareness of the current and future issues facing the profession.

#### **Syllabus:**

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##### **Nature, Purpose and Scope of an Audit**

- What is meant by an audit, The purpose of an external audit.

##### **The Regulatory Framework of Auditing**

- The Auditing Profession and Recognised Supervisory Bodies, Auditing Standards and Guidelines, Auditing and the Companies Acts, Fundamental Auditing Concepts,
- The Postulates of Auditing, Agency theory, Truth, Fairness and Materiality.

##### **The Beginning of the Audit Process**

- Accepting an appointment as an Auditor, The engagement letter, Audit Planning.
- Audit Risk, Audit evidence, Quality control and review procedures.

##### **The Performance of an Audit**

- Ascertaining, documenting and evaluating the systems of Internal Control,
- Control objectives, procedures and tests of control, Substantive tests and procedures.

##### **Audits in a Computer Environment**

- The problems of auditing computer systems, Use of CAATs.

#### **Audit Review and Reporting**

- Issues involved in forming an audit opinion, Use of analytical review.
- Main elements of an Audit Report,
- Circumstances where a qualified Audit Report is required, Internal Audit

#### **Other Matters**

- Other reports, Auditors Liability, Corporate Governance and Current Issues.