

COURSE OUTLINE

Advanced Auditing & Assurance

M.Com. Part II (Annual System)

Course Objectives:

1. To equip the student with the latest knowledge of auditing
2. To provide student with the skills and techniques employed in a modern audit
3. To develop an of auditing in the student in line with the International standards
4. To equip the student with latest tools and techniques in internal and external audit

Topic	Source
AUDIT, ASSURANCE SERVICES & THEORY OF AUDITING	
<ul style="list-style-type: none"> ★ Evolution of Auditing, Major Influences on Auditing, Field of Auditing, Basic Concepts of Auditing, Evidence in Auditing. ★ The nature of assessing services, Audit, ISA 200, Audit and small and medium sized entities, The chronology of an audit, The postulates of auditing, Agency theory, Imported theories. 	<p>Chapter 01 Book 2</p> <p>Chapter 01 Book 1</p>
STATUTORY AUDIT & REGULATION	
<ul style="list-style-type: none"> ★ The statutory audit requirement, the structure of the accounting and auditing profession and the IFAC. Regulation, monitoring and supervision, Auditor rights and duties, Corporate Governance in Pakistan. International standards on Auditing. Accounting Standard Boards 	Ch 03, book 1
LEGAL AND PROFESSIONAL CONSIDERATION:	
<ul style="list-style-type: none"> ★ Introduction, the Companies Ordinance, 1984. Appointment, qualification and ineligibility of auditors, Appointment procedures, Client Screening, The engagement letter, ISA 210, Legal status of an auditor, remuneration of auditors, Resignation and removal of auditors, Duties, rights and responsibilities of auditors, Consideration of laws and regulations, ISA250. 	Chapter 04 Book 1
GROUP AUDITS.	
<ul style="list-style-type: none"> ★ Group accounting and holding company auditors. Principle auditors and others auditors. The consolidation. Joint audits. Auditing foreign subsidiaries. 	Chapter 06 Book 1
ANALYTICAL PROCEDURES, ACCOUNTING ESTIMATES AND AUDITING FAIR VALUES	
<ul style="list-style-type: none"> ★ Analytical Procedures, ISA 520, Accounting Estimates, ISA 540, Auditing fair value measurements, and disclosure, ISA 545. 	Chapter 09 Book 1
COMPUTER IN AUDITING: ISA 401, 402, IAPS 1001, 1002, 1003, 1008 & 1009.	
<ul style="list-style-type: none"> ★ Approach to Computer Auditing, Types of Computer Systems, Characteristics of a CIS Environment, Internal Controls in a CIS Environment. ★ Auditing in a CIS environment, ISA 401. Risk assessments and internal control in a CIS environment, IAPS 1008. Standalone microcomputers, IAPS 1001. Online computer systems, IAPS 1002, Data Base System, IAPS 1003, Limitations of accounting and control systems, Use of service organizations for computer facilities, ISA 402, Systems development, Computers in audit management, Computer Security issues in computerised systems. 	<p>Chapter 06 Book 2</p> <p>Chapter 10 Book 1</p>
FORMING AN AUDITING JUDGMENT: ISA 260, 302, 501, 510, 560, 570, 580, 710 & 720.	
<ul style="list-style-type: none"> ★ Overall review of financial statements. Opening balances, ISA 	Chapter 12 Book 1

510. Comparatives, ISA 710. Other information in documents containing audited financial statements, ISA 720. Subsequent events, ISA 560. Contingencies, ISA 501, Going Concern, ISA 570. Management Responsibilities, ISA 580, Communication of audit matters with those charged with governance, ISA 260. Completion of the audit, ISA 320.	
MANAGEMENT LETTERS	
* Management Letters. The contract of management letters. Procedures for assembling and submitting the management letter. Points to note when drafting management letter – possible reporting items. Management letters – examples of layout.	Chapter 13 Book 1
AUDIT REPORTING ISA 700	
* Statutory requirement. The auditor's report on financial statements, ISA 700. Auditors report to members of life and non – life insurance companies. Modified reports. The audit Reports on sole proprietorship and partnership. Audit practices manual published by ICAP. Reporting on compliance with international financial reporting standards, IAPS 1014.	Chapter 13 Book 1
IMPROVING AUDIT EFFECTIVENESS	
* Integrating Audit Techniques, Risk – based Auditing, Audit Approach of International Firms – A Case Study, In – depth Knowledge of Auditee's Business Model.	Chapter 07 Book 2

Recommended Texts:

1. Advanced Auditing, CA Exam study text by Professional Business Publications Lahore
2. Gupta Kamal, Contemporary Auditing, TATA Mcgraw Hill New Delhi India (Latest Edition).
3. International Standards on Auditing (Latest).
4. Icap.org.pk
5. Secp.gov.pk