**COM3213**

**Auditing Principles and Practices**

**Module 1: Auditing & Audit Procedures**

Unit 1: Auditing -Concept, Need and Purpose of Audit - Definition-Nature-Scope and

Objectives of Audit - Basic Principles Governing an Audit -– Advantages of Auditing to the Business and Owners – Limitation of Audit - Concept of Auditor’s Independence -. Difference between Audit and Investigation - Audit Committee - Auditor’s Responsibility – Classification of Audit.

Unit 2: Audit Activities: Auditing Engagement - Audit Programme - Audit Working Paper-Audit file– Audit Note Book – Audit Memorandum.

Unit 3: Audit Evidence – Concept, Need, Procedures to obtain Audit Evidence – Routine Checking- Test Checking - Cut- off procedures - Audit Flow Chart.

Learning Outcome:

∙ Students will be familiar with the basic concepts in auditing and audit procedures.

**Module 2: Audit Risk and Internal Control System**

Unit 1. Audit Risk – Concept and Types of audit risks, Relationship with audit materiality -Professional Scepticism - Internal Control- Definition - Objectives - Evaluation -Internal Control Check List - Internal Control Questionnaire and COSO’s Internal Control Framework.

Unit 3: Internal Check- Definition, Objectives and General Principles on Internal Check - Internal Audit- Definition - Objectives - Regulatory Requirement - Use of Internal Auditor’s Work by Statutory Auditor.

Unit 3: Fraud & Errors: Detection and Prevention of Fraud – Kinds of Fraud – Detection of Fraud – Detection of Errors – Kinds of Errors – How to Prevent Errors and Fraud.

Learning Outcome:

∙ Students will be familiar with the concepts of audit risk, and internal check.

∙ Students will understand the detection and prevention of fraud and errors

**Module 3: Vouching, Verification and Valuation**

Unit 1: Vouching: Meaning - Objectives - Difference with Routine Checking – Factors to be Considered during Vouching of Different items.

Unit 2: Verification and Valuation: Concept – objectives – Importance - Difference with Vouching - Difference between Verification and Valuation - Verification and Valuation of Different Items.

Learning Outcome:

∙ Students will be aware about the process of vouching, verification and valuation of assets and liabilities

**Module 4: Company Audit**

Unit 1. Company Auditor – Qualification – Disqualification – Appointment -Reappointment and Rotation - Casual Vacancy - Removal and Resignation –Remuneration - Rights, Duties and Liabilities of Company Auditor.

Unit 2: Audit report and Certificate - Definition – Distinction between Report and Certificate- Different -Types of Report - Contents of Audit Report (As per Companies Act and Standards on Auditing) True and Fair View – Concept of Materiality and Relevance.

Unit 3 Audit of specific items:- Audit of receivables, inventory, payables & accruals, bank & cash, tangible & intangible assets, share capital & reserves, directors’ remuneration – details of audit checks for these items and reporting thereof – use of management representation.

Unit 4: Special Areas of Audit-Cost Audit, Tax Audit, Management Audit, Social Audit

Learning Outcome:

∙ Students will understand all nuances of audit report and will understand how to do the company audit of specific items

**Module 5: Corporate Governance & Corporate Social Responsibility**

Unit 1: Corporate Governance: Conceptual framework of Corporate Governance: Theories & Models, Broad Committees; Corporate Governance Reforms. Major Corporate Scandals in India and Abroad: Common Governance Problems Noticed in various Corporate Failures Codes & Standards on Corporate Governance.

Unit 2: Corporate Social Responsibility- Concept of CSR, Corporate Philanthropy, Strategic Relationship of CSR with Corporate Sustainability - CSR and Business Ethics - CSR and Corporate Governance - CSR provisions under the Companies Act, 2013.

Learning Outcome:

∙ Students will understand the Conceptual framework and reforms of Corporate Governance.

∙ Students will understand Corporate Social Responsibility and the provisions under the Companies Act, 2013

**Readings:**

1. Tandon, B.N., Sudharsanam, S., &Sundharabahu, S., A Handbook of Practical Auditing,

S.Chand&Compaly Ltd, New Delhi.

2. ArunJha, Auditing – University Edition, Taxman Publications

3. Saxena, R. G., Principles and Practice of Auditing, Himalaya Publishing House, Mumbai

4. Sharma, T. R., Auditing SahityaBhawan Publication Agra.

5. Saxena, R. G., Principles and Practice of Auditing, Himalaya Publishing House, New Delhi.