

ST. JOSEPH'S COLLEGE OF COMMERCE (AUTONOMOUS)
DEPARTMENT OF COMMERCE

TEACHING LESSON PLAN FOR PRINCIPLES & PRACTICE OF AUDITING
(C1 15AR403)

B.Com IV Semester (November 2016 to March 2017)

Subject Objective: To facilitate acquisition of Adequate knowledge and practices of auditing and introduction to Standards of Auditing.

Description of learning goals / objectives:

1. *Time/hours required* – 60 hrs
2. *Process* – Lecture method, Case study references, Analysis of Sas.
3. *Output* – understanding the Process and laws pertaining to performance of Audit process and the role of Auditor
4. *Assessment (CIA):* Short review projects, Case-analysis, Presentation, Current affairs, Viva, etc.....

Lesson Plan Framework (Module Wise)

Module/ Title/ Hours	Topics for student Preparation	Procedure	Learning outcome	Assessment
Module 1: <i>Introduction to Auditing: (Standards of Auditing(SA200 -299)</i> 8 hours	Module 1: Introduction to Management Objectives of an audit – primary & secondary objective. Case Laws on Audit Objectives. Types of Audit – Statutory & Independent Audit. Meaning of errors,- Classification of errors, its detection by an auditor. Frauds – meaning, intention, classification & detection by auditor. Window dressing of financial statements. An overview of Auditing and Assurance Standards issued by ICAI.-EDP	• Lecture • Case study analysis • Team project	Understanding the various types of Audits and the issues associated with audits	Multiple – Choice Questions/ Guess the following Match the correct theory/ definition/ meaning/ etc.

	audit-Extended Business Reporting Language.			
Module 2 : <i>Audit Planning:</i> <i>(Standards of Auditing(SA200-599)</i> 10 hours	Commencing an Audit - Audit Engagement letter, Commencement procedures- (SA 210) Documentation - Documentation as under SA 230-Audit working papers, Audit files: Permanent and current audit files, Ownership and custody of working papers, materiality (SA 320), audit evidence (SA 500) and documentation Formulating an Audit Programme, drawing up the Audit Process. Audit Procedures- Compliance procedures & tests of Detail. Auditing Techniques. Statistical Sampling (SA530) in Auditing. Vouching & verification.	<ul style="list-style-type: none"> • Lecture • Analysis of Sas • Team project 	Understanding the Standards of Auditing pertaining to Audit Engagement, Documentation and Audit procedure	Multiple - Choice Questions/ Guess the following Match the correct theory/ definition/ meaning/ etc.
Module 3: <i>Internal Control:</i> <i>(SA 265)</i> 10 hours	Concept of Internal Control, Internal check & Internal Audit, objectives. Features of a good Internal Control System. Methods of recording existing Internal Control Systems followed by an auditor - Questionnaire, Check list & flow chart methods. Role of the management. Internal control in specific areas - Sales & debtors, Purchases & creditors,	<ul style="list-style-type: none"> • Lecture • Case study analysis • Team project 	Internal Control, Internal check & Internal Audit	Multiple - Choice Questions/ Guess the following Match the correct theory/ definition/ meaning/ etc.

	Cash & bank balance/ receipts/ payments, Fixed Assets, Investments. Review & evaluation of Internal Control Systems, Risk assessment. Reporting to clients on Internal Control weaknesses. (SA 265)			
Module 4 : <i>The Company Auditor</i> 10 hours	Appointment of Auditor, Remuneration, Functions, Duties of an Auditor. Rights & Liabilities of an Auditor as per Companies Act 2013	<ul style="list-style-type: none"> • Lecture • Case study analysis • Team project 	Understanding the Position of an Auditor pertaining to an Assignment as per Law	Multiple - Choice Questions/Match the correct sections/ definition /meaning/ etc.
Module 5: <i>Audit Report.</i> (SA700-799) 7 hours	Auditors Opinion, nature of an Auditors Opinion. Basics of An Audit Report - True & fair view, Audit examination, Information & explanations from the management, Statement of facts Vs Expression of opinion, date of report & signing. Types of Audit Report. Qualifications in the Auditors Report.	<ul style="list-style-type: none"> • Lecture • Case study analysis • Team project 	Auditor's opinion and its outcomes	Multiple - Choice Questions/ Various Company report analysis/Case-reviews/ etc.
Module 6: <i>Corporate Governance and Investigation</i> 10 hours	Audit committee and Corporate Governance, Investigation Including due diligence	<ul style="list-style-type: none"> • Lecture • Case Study 	Audit committee and corporate governance	Multiple-Choice Questions/ Various Company report analysis/Case-reviews/ etc.

LESSON PLAN FRAMEWORK (HOUR-WISE):

Subject Name: Principles and Practice of Auditing

Lecture Hours: 60

Sl. No	Unit & Objectives	No. Of Lecture Hours	Methodology/ Instructional Techniques	Evaluation/ Learning Confirmation
Module 1:	Introduction to Auditing: (Standards of Auditing, SA200-299)	8 Hrs		
1.	Auditing- meaning, definition - Objectives of an audit - primary & secondary objective. Case Laws on Audit Objectives.	1	Lecture and illustrations	Question and answer
2.	Standards of Auditing - Introduction and overview of these Standards of Auditing	1	Lecture and illustrations	Question and answer
3.	Types of Audit - Statutory & Independent Audit.	1	Lecture and illustrations	Illustrations
4.	Meaning of errors,-Classification of errors, its detection by an auditor. Frauds - meaning, intention, classification & detection by auditor. Window dressing of financial statements.	1	Lecture and illustrations	Question and answer
5.	An overview of Auditing and Assurance Standards issued by ICAI.	1	Lecture and illustrations	Question and answer
6.	EDP audit - Extended Business Reporting Language.	1	Lecture and illustrations	Question and answer
7.	SA - 200 to 299 (discussions on relevant Sas)	1	Lecture and illustrations	Question and answer
8.	Revision/repetition of chapter/ Cases/ examples	1	Questions/viva	Tests
Module - 2:	Audit Planning: (Standards of Auditing(SA200-599)	10 Hrs		
1.	Commencing an Audit - Audit Engagement letter, Commencement procedures- (SA 210)	1	Lecture and illustrations	Question and answer
2.	Documentation - Documentation as under SA 230	1	Lecture and illustrations	Question and answer
3.	Audit working papers, Audit files: Permanent and current audit files, Ownership and custody of working papers, materiality (SA 320)	1	Lecture and illustrations	Question and answer
4.	audit evidence (SA 500) and documentation Formulating an Audit Programme, drawing up the Audit Process	1	Lecture and illustrations	Question and answer
5.	Audit Procedures- Compliance procedures & tests of Detail.	1	Lecture and illustrations	Question and answer
6.	Auditing Techniques	1	Lecture and illustrations	Question and answer
7.	Statistical Sampling (SA530) in Auditing.	1	Lecture and illustrations	Question and answer
8.	Vouching & verification.	2	Lecture and illustrations	Question and answer
10.	Review of all Sas and revision of module	1	Questions/viva	Tests
Module - 3	Internal Control: (SA 265)	10 Hrs		
1.	Concept of Internal Control, Internal check & Internal Audit, objectives	1	Lecture and illustrations	Question and answer
2.	Features of a good Internal Control System	1	Lecture and illustrations	Question and answer
3.	Methods of recording existing Internal Control Systems followed by an auditor - Questionnaire,	1	Lecture and illustrations	Question and answer

	Check list & flow chart methods			
4.	Role of the management. Internal control in specific areas – Sales & debtors, Purchases & creditors, Cash & bank balance/ receipts/ payments, Fixed Assets, Investments.	3	Lecture and illustrations	Question and answer
5.	Review & evaluation of Internal Control Systems, Risk assessment.	2	Lecture and illustrations	Question and answer
6.	Reporting to clients on Internal Control weaknesses. (SA 265)	1	Lecture and illustrations	Question and answer
7.	Summary/ test	2	Questions/ viva	Tests
Module - 4:	The Company Auditor	10 Hrs		
1.	Appointment of Auditor	1	Lecture and illustrations	Question and answer
2.	Remuneration of an Auditor	1	Lecture and illustrations	Question and answer
3.	Functions of an Auditor	1	Lecture and illustrations	Question and answer
4.	Duties of an Auditor	2	Lecture and illustrations	Question and answer
5.	Rights & Liabilities of an Auditor as per Companies Act 2013	3	Lecture and illustrations	Question and answer
6.	Summary/ test/ examples and case studies	2	Questions/ viva	Tests
Module - 5:	Audit Report. (SA700-799)	7 Hrs		
1.	Auditors Opinion	1	Lecture and illustrations	Question and answer
2.	Nature of an Auditors Opinion	1	Lecture and illustrations	Question and answer
3.	Basics of An Audit Report – True & fair view, Audit examination	1	Lecture and illustrations	Question and answer
4.	Information & explanations from the management	1	Lecture and illustrations	Question and answer
5.	Statement of facts Vs Expression of opinion, date of report & signing.	1	Lecture and illustrations	Question and answer
6.	Types of Audit Report. Qualifications in the Auditors Report.	1	Lecture and illustrations	Question and answer
10.	Summary/ case study/ Revision	1	Questions/ viva	Tests
Module-6	Corporate Governance and Investigation	10 Hrs		
1.	Audit Committee	2	Lecture and illustrations	Question and answer
2.	Corporate Governance	2	Lecture and illustrations	Question and answer
3.	Investigation including due diligence	4	Lecture and	Question and

			illustrations	answer
Total Hours		60 hrs		

Objective: to develop the skill amongst students to work within the legal frame-work in an ethical manner

Continuous Internal Assessment:

CIA 1: *Class Quiz and role play: 1st December & 5th December 2016*

CIA 2: *Short case developments & presentation-*

Topic facilitation: 11th February 2017(Depending on MTT dates may be shifted)

Group Allocation: 12th February 2017(Depending on MTT dates may be shifted)

Submission of completed (assignment by the students): 25th February 2017

Books for reference:

- ❖ B. N. Tandon, S. Sudharsanam & S. Sundharabahu: A Handbook of Practical Auditing, S. Chand & Co. Delhi.
- ❖ B. N. Tandon: Auditing, S. Chandra & co. Ltd., Delhi.
- ❖ D. P. Jain: Auditing, Konark Publishers Pvt. Ltd., Delhi.
- ❖ Dinakar Pagare: Practice of Auditing
- ❖ Dr. T. R. Sharma: Auditing, Sahitya Bhavan, Agra.
- ❖ Jagadeesh Prakash: Auditing.
- ❖ Kamal Gupta & Ashok Arora: Fundamentals of Auditing, Tata McGraw Hill.
- ❖ C.A Institute study material for Inter and final examinations

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