



University of Management and Technology
School of Commerce and Accountancy
Quaid e Azam Campus

Course Outline

Course Title: Audit and Assurance (AC-395)	
Program	B.com-H
Credits Hours	3
Duration	15 Weeks / 30 Sessions
Prerequisites	
Resource Person	
Contact/Email	

Course Description:

This course focuses on the role of external auditing with respect to financial review, control, accountability, and assurance. The aim is to enable the students to apply relevant knowledge, skills, and exercise professional judgment in analyzing, evaluating, concluding and reporting on the assurance engagement and other audit and assurance issues in the context of best practice and current developments. In this course emphasize has been increased on business risk, corporate governance, the quality of financial reporting, and the emerging forms of assurance services.

Learning Objectives:

After studying this course the students will be able to:

- The participants must fully comprehend the need and importance business risk approach as foundation for audits.
- Developing Audit Plan.
- Developing Internal Control Questionnaire.
- Analytical Review Procedures
- Audit Risk Assessment
- Audit Sampling Techniques,
- Conducting Audit in an IT based environment.
- Operational Auditing Requirements.
- Types of audit Reports

Teaching-Learning Methodology:

- Lectures
- Recommended Text/Supplementary Texts
- Handouts
- Case Studies
- Skill Development Exercises
- Guest Speakers
- Industrial/Corporate Visits
- Project Report/Term Paper

Recommended Text Book:

1. Handouts by Resource Person
2. Audit and Assurance (ACCA - F8)

Supplementary Text Books:

1. Auditing by Milli Champ
2. International Standards on Auditing by Mr. Ishfaq Ahmed (FCA), Mr. Jafar Hussain

Assessment & Evaluation:

Quizzes	15%	
Assignments	}	
Final Project		20%
Project Presentation/Presentations		
Mid Term	25%	
<u>End Term Exam</u>	<u>40%</u>	
Total:	100	

SCHEDULE OF ACTIVITIES

Week	Contents/Topics to be Taught	Tasks/Activities
1	<p>Audit and Assurance:</p> <ul style="list-style-type: none"> • What is Audit? • Audit theories • Accounting and Stewardship • Agency Theory • Audit and Assurance 	<p>Course Outline Distribution</p>
2	<p>Statutory Audit and Regulations:</p> <ul style="list-style-type: none"> • Objective and general principles of audit • Appointment of auditors • Duties of auditors • Rights of an auditor • International standards on auditing 	<p>Quiz #1</p>
3	<p>Audit Engagement:</p> <ul style="list-style-type: none"> • Accepting audit engagement • Agreeing audit engagement • Letter of engagement and its contents 	
4	<p>Risk Assessment:</p> <ul style="list-style-type: none"> • Introduction to risk and its components • Materiality • Understanding the entity and its environment • Assessing the risk of material misstatement • Responding to the risk assessment • Fraud • laws and regulations • Documentation of risk assessment 	<p>Quiz #2</p>
5	<p>Audit Planning and Documentation:</p> <ul style="list-style-type: none"> • Audit planning • Overall audit strategy • Audit documentation and audit files 	

6	Audit Evidence: <ul style="list-style-type: none"> • Definition of Audit evidence • Sufficient and appropriate audit evidence • Financial statement assertions • Audit procedures to obtain audit evidence 	Quiz #3
7	Internal Control: <ul style="list-style-type: none"> • Definition of Internal control • Designing internal controls • Types of internal control • Internal control questionnaires • Internal control evaluation • Preliminary evaluation of controls • Audit testing and work programs 	
8	MID TERM EXAMINATION	
9	Test of Controls: Test of controls on: <ul style="list-style-type: none"> • Sales system • purchase system • Inventory system • Cash and bank system • Payroll system • Revenue • Capital expenditure • Expenses Other items	Quiz #4 & Assignment #1
10	Audit Procedures: Analytical and Substantive procedures.	
11	Audit Sampling: Design of the sample, evaluation the results.	
12	Audit of different Items: Audit of: <ul style="list-style-type: none"> • Non-current assets • Inventory • Receivables 	Quiz #5 & Assignment #2

	<ul style="list-style-type: none"> • Cash and bank • Trade payables • Accruals • Non-current liabilities • Provisions and contingencies • Capital and other issues • Purchases • Sales <p>Expenses.</p>	
13	Audit Review and Finalization	
14-15	<p>Reporting:</p> <ul style="list-style-type: none"> • Legal and professional requirements • Audit report • Main elements of an Audit report • Significance of opinion paragraph • Types of audit reports • Qualified Audit reports <p>Circumstances when disagreement may arise</p>	Assignment #3
16	END TERM EXAMINATION	