Auditing financial statements

Academic Year: (2018 / 2019) **Review date: 18-04-2018**

Department assigned to the subject: Business Administration Department

Coordinating teacher: GARCIA OSMA, BEATRIZ

Type: Compulsory ECTS Credits : 6.0

Year : 4 Semester : 1

OBJECTIVES

Knowledge:
- Understand the role of the auditor in the economic system
- Get to know the audit procedures
- Understandthe economic effects of accounting regulations and its flexibility.

Skills:
- Ability to detect deviations from accounting standards in the firm's financial statements
- Ability to conduct a full audit process and prepare the audit report.

Attitudes:
- Promote the integrity and independence of the auditor.

DESCRIPTION OF CONTENTS: PROGRAMME

Chapter 0: Introduction

1. Course practicalities
2. Defining features of the concept of audit
3. Different types of audit: Internal and External audit
4. The internal audit function

Chapter 1: The need for auditing in the economy

1. The accounting information in economic systems
2. The role of the audit as a mechanism of protection of investors and other users of accounting information
3. The audit situation in Europe and Spain
4. The audit problems. The crisis of the profession.
   4.1. Narrow objectives. Excessive standardization. Mature industry.
   4.2. What is the responsibility of the auditor?
   4.3. Auditor Independence

Chapter 2: The regulation of auditing in Spain and Europe

1. Accounting standards and auditing. Accounting standards applicable in Spain and Europe.
2. The audit regulation after the Audit law reform.
3. International Standards on Auditing
   3.1. The general standards
   3.2. Audit evidence
   3.3. Other standards

Chapter 3: Audit methodology and audit of specific areas

1. Organization, planification and development of audit
2. Auditing of specific areas
2.1. Treasury
2.2. Customers
2.3. Stocks
2.4. Fixed asset
2.5. Equity
2.6. Creditors

2.7. Income statements

Chapter 4: Audit Reports and Internal Control

1. Report or opinion on the financial statements
2. Standards for the preparation of the report
3. Elements of the audit report
4. Report Models
5. Other Special Reports
6. Report on Internal Controls

LEARNING ACTIVITIES AND METHODOLOGY

The learning activities consist of lectures, teamwork and individual student work. The lectures give the student the necessary skills. Group work allows students to develop and apply the knowledge gained to exercises and case studies so that they develop the skills they are expected to obtain and develop audit testing and reporting. Individual student's work is focused on the knowledge acquired in lectures and requires an individual effort to learn the audit rules in Spain.

ASSESSMENT SYSTEM

There is a continuous assessment of the development of skills during the course, through a number of tasks on the development of audit testing and reporting. These tasks will involve 40% of the final grade. The evaluation of the knowledge gained is measured through a final exam, which will provide 60% of the final grade. It is a necessary requirement to get a minimum grade of 4 (out of 10) in the final exam to pass the course.

% end-of-term-examination:	60
% of continuous assessment (assigments, laboratory, practicals…):	40

BASIC BIBLIOGRAPHY

- Messier, W., Glover, S., & Prawitt, D Auditing and assurance services: A systematic approach, McGraw-Hill Education, 2016
- Rittenberg,Larry; Karla Johnstone; Audrey Gramling Auditing: A Business Risk Approach, ACL, 2012

BASIC ELECTRONIC RESOURCES

- ICAC . Spanish General Accounting Plan: http://www.icac.meh.es/Documentos/CONTABILIDAD/PGC%20Ingles.pdf