**Course Outline**

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**Principles of Auditing**

**For BBA (Hons.)**



Department of Management Sciences

The Islamia University of Bahawalpur

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**Course Details**

Course Title: Principles of Auditing

Program: BBA (Hons.) 7th

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**Faculty**

Faculty:

Email address:

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**Objective and Learning outcomes of the Course**

This course is meant to:

* + Comprehend and Interpret Audit Reports of any organization
  + Comprehend the Auditing Principles, Techniques, and Generic Auditing Process
  + Understand the role of auditor
  + Understand and comprehend the role of vouching, verification and investigation in context of auditing
  + Assess the strengths and weaknesses of internal control systems
  + Start career as Auditor at initial level
  + Start higher professional studies.

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**Course Contents**

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| **Sessions** | **Topics** |
| 01 & 02 | * Introduction to Auditing * Origin of Auditing * Definition of Auditing * Scope of Auditing * Features of Auditing * Characteristics of Auditing |
| 03 & 04 | * Objectives of Auditing * Difference between auditing & accounting * Advantages of accounting * Introduction to classification of Audit * Classification on the basis of continuity, organizational structure, specific objectives, scope and time |
| 05 & 06 | * Types of audit e.g. interim audit, final audit * Difference between types of audit |
| 07 & 08 | *About the Auditor*   * Introduction * Definition * Companies ordinance * Qualification of an auditor * Disqualification of an auditor * The appointment of an auditor * Remuneration and removal of an auditor * Qualities, rights and duties of an auditor |
| 09 & 10 | * Errors and frauds * Definition * Types of errors and frauds * Practical examples of errors and frauds and their types |
| 11, 12 & 13 | * Internal control system * Nature of internal control system * Importance of internal control system * Internal check * Internal control and internal audit |
| 14, 15 & 16 | * What is Vouching * Importance of vouching * Features of vouching * Objectives of vouching * Techniques of vouching * Vouching as an essence of auditing |
| MID-TERM EXAMINATION | |
| 17 & 18 | * Verification * Definition and meaning of verification * Objectives of verification * Techniques of verification * Difference between verification and vouching |
| 19 & 20 | * Verification of assets * Verification of liabilities |
| 21 & 22 | * Introduction to Investigation * Definition and meaning of investigation * Characteristics of investigation * Objectives of investigation * Techniques of investigation * Different aspects of investigation * Difference between audit and investigation |
| 23 & 24 | * Liabilities of the auditor |
| 25 & 26 | * Introduction to an Audit report * Characteristics of an audit report * Basic elements of an audit report * Types of opinion and audit report * Concept of true and fair view |
| 27, 28 & 29 | * Introduction to specialized audit with common points of audit * Audit of different organizations |
| 30, 31, 32 | *Audit in computerized environment*   * Introduction * EDP * Techniques and approaches for EDP Auditing * Internal controls of computer * Procedure for audit of accounts kept on EDP System * Advantages of computer for Audit * Difference between audit in computerized environment and Non-computerized/manual environment |
| FINAL EXAMINATION | |

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**Reference Material**

1. Auditing by A.H. Millichamp published by British Library Continuum

2. Practical Auditing by Spicer & Pegler’s by Butter worth & Co. Ltd., Latest Edition

3. Principles of Auditing by Khadam Hussain

4. Relevant material available on internet

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**Course Evaluation**

The breakup of the total marks is as under.

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| --- | --- |
| **Mid term** | 30 Marks |
| **Final Term** | 50 Marks |
| **Sessional** | 20 Marks |

**Breakup of Sessional Marks**

|  |  |
| --- | --- |
| **Quizzes** | 05 Marks |
| **Assignments** | 05 Marks |
| **Class participation** | 05 Marks |
| **Attendance and discipline** | 05 Marks |

**Project Guidelines**

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**Course Policies**

1. Students are highly encouraged to participate in the class.
2. Students are advised to go through the topics before coming to the class.
3. Quizzes can be taken with or without prior announcement.
4. No Plagiarism will be accepted in assignments. If a student is found involved in plagiarism he/she will simply get an F followed by disciplinary action.
5. Cheating in any quiz/exam will lead to cancellation of the quiz/exam followed by disciplinary action.
6. Students are encouraged to reach me after the class to discuss anything related to course, class, and their progress. In case a student requires reaching me after the class and outside the consulting hours they are welcome to contact me through email.