

**Subject Code: 609**

**(60Hrs)**

**Subject Name: Auditing**

1. Auditing Concepts: Nature and implications of Auditing. Basic principles governing an audit, ethical principles and concept of Auditors independence. Relationship of auditing with other disciplines.  
**(4 hrs)**
2. Auditing and Assurance Standards: Overview, Standard-setting process. Roles of international Auditing and assurance Standards Board and Auditing and Assurance Standards Board in India.  
**(4 hrs)**
3. Auditing engagement: Audit planning, Audit Programme, control of quality of audit work, Delegation and supervision of audit work. **(4 hrs)**
4. Documentations Audit working papers. Audit files- Permanent and current audit files, Ownership and custody of working papers.  
**(4 hrs)**
5. Audit Evidence Audit procedures for obtaining evidence, Sources of evidence, Reliability of audit evidence, Methods of obtaining audit evidence, % Physical verification, Documentations, Direct confirmation, RE computations, Analytical review techniques, Representations by management.  
**(4 hrs)**
6. Internal Control: Elements of internal control, Review and documentation, Evaluation of internal Control systems, Internal control questionnaire, Internal control check list, Tests of control, Application of concept of materiality and audit risks, Concept of internal audit.  
**(4 hrs)**
7. Internal Control and computerized Environment, Approaches to auditing in computerized Environment **(4 hrs)**
8. Audit Sampling- Types of sampling. Test Checking, Techniques of test checks . **(4 hrs)**
9. Analytical review procedures.  
**(4 hrs)**
10. Audit of payments: General observations, wages, Capital Expenditure, Other payments and expenses, petty cash payments, Bank Payments, Bank Reconciliation. **(4 hrs)**
11. Audit of Receipts- General considerations, Cash Sales, Receipts from Debtors, Other Receipts.  
**(2 hrs)**
12. Audit of Purchases – Vouching Cash and Credit purchases, forward purchases, Purchase Returns, Advance received from suppliers.  
**(2 hrs)**

13. Audit of Sales- Vouching of cash and Credit sales. Goods on consignments, Sales on approval basis, Sales under hire purchase agreements. Returnable containers Various types of allowances given to customers, sales returns. ( 2 hrs )
14. Audit of suppliers ledger and the debtors ledger- Self-balancing and the sectional balancing system. Total control accounts. Confirmatory statements from credit customers and suppliers, Provision for bad and doubtful debts. Writing off of bad debts. (2 hrs)
15. Audit of impersonal ledger- Capital Expenditure, deferred revenue expenditure and revenue expenditure, Outstanding expenses and income, Repairs and renewals, Distinction between reserves and provisions, Implications of change in the basis of accounting. (2 hrs)
16. Audit of assets and liabilities. (2 hrs)
17. Company Audit- Audit of sharers, Qualifications and Disqualifications of Auditors. Appointment of auditors, Removal of auditors, Powers and duties of auditors. Branch audit, Joint audit, special audit, Reporting requirements under the Companies Act 1956. (4 hrs)
18. Audit Report- Qualifications, Disclaimers, and Adverse opinion, Disclosures, Reports and Certificates. (4 hrs)