

Module Code:	BUS664
---------------------	--------

Module Title:	Auditing II
----------------------	-------------

Level:	6	Credit Value:	12
---------------	---	----------------------	----

Cost Centre(s):	GABP	JACS3 code:	N421
		HECOS code:	100840

Faculty:	FSLS	Module Leader:	Hendry Pang
-----------------	------	-----------------------	-------------

Scheduled learning and teaching hours	49 hrs
Guided independent study	71 hrs
Placement	
Module duration (total hours)	120 hrs

Programme(s) in which to be offered (not including exit awards)	Core	Option
Bachelor of Science (Hons) Finance & Accounting (Level 6 Top Up)	✓	<input type="checkbox"/>

Pre-requisites
N/A

Office use only

Initial approval August 2018
 With effect from: 01/05/2019
 Date and details of revision:

Version no: 1

Version no:

Module Aims

MA 1: To complete the students' knowledge of the auditing principles and practices, thus enabling the student to pursue a career in auditing upon graduation.

Intended Learning Outcomes

Key skills for employability

- KS1 Written, oral and media communication skills
- KS2 Leadership, team working and networking skills
- KS3 Opportunity, creativity and problem solving skills
- KS4 Information technology skills and digital literacy
- KS5 Information management skills
- KS6 Research skills
- KS7 Intercultural and sustainability skills
- KS8 Career management skills
- KS9 Learning to learn (managing personal and professional development, self-management)
- KS10 Numeracy

At the end of this module, students will be able to

Key Skills

1	Explain the regulatory framework and environment of financial reporting and auditing.	KS1	
		KS5	
2	Apply further and advanced audit procedures to gather audit evidence.	KS3	
		KS5	
		KS10	
3	Apply appropriate procedures to finalise an audit engagement.	KS3	
		KS5	
		KS10	
4	Evaluate audit evidence and issue appropriate audit opinion.	KS1	KS10
		KS3	
		KS5	

Transferable skills and other attributes

Type of Skill	Skills development	Method of assessment
Analytical skill	Tutorial exercises and discussions	Assignment and examination
Problem solving skill	Tutorial exercises and discussions	Assignment and examination
Writing skill	Tutorial exercises and discussions	Assignment and examination

Derogations

None

Assessment:

Indicative Assessment Tasks:

1. Assignment – To ensure that students are able to handle major tasks that will require research and self-study in specific audit situations.
2. Final exam – To test the knowledge of students that has completed all other assessments and understand the subject well enough.

Assessment number	Learning Outcomes to be met	Type of assessment	Weighting (%)	Duration (if exam)	Word count (or equivalent if appropriate)
1	LO2- LO3	Assignment	40*		1,200
2	LO1 – LO4	Final exam	60*	3 hrs	

* The changes to assessment components are subject to approval by the professional bodies (ACCA and CPA Australia) of which exemptions are granted to this bachelor program and the regulator of MQA.

Learning and Teaching Strategies:

Lecture, tutorial, and consultation

Syllabus outline:

1. FINANCIAL REPORTING FRAMEWORK AND ENVIRONMENT

- (a) Companies Act and Financial Reporting Act
- (b) Financial reporting standards
- (c) Corporate governance

2. AUDIT FRAMEWORK AND ENVIRONMENT

- (a) Companies Act, Accountants Act, Securities Industry Act and Anti Money Laundering and Terrorism Act
- (b) Audit of public interest entities
- (c) Auditing standards
- (d) Professional ethics and threats
- (e) Corporate governance
- (f) Audit committee

3. AUDIT EVIDENCE

- (a) Using the work of internal auditor
- (b) Using the work of expert
- (c) Auditing of accounting estimates

4. AUDIT SAMPLING

- (a) Attribute sampling applied to tests of controls
- (b) Classical variable sampling applied to substantive procedures
- (c) Monetary unit sampling

5. AUDIT OF REVENUE PROCESS

- (a) Overview of the revenue process
- (b) Risks

- (c) Control objectives and activities
- (d) Tests of controls
- (e) Substantive procedures for revenue related transactions and account balances

6. AUDIT OF PURCHASING PROCESS

- (a) Overview of the purchasing process
- (b) Risks
- (c) Control objectives and activities
- (d) Tests of controls
- (e) Substantive procedures for purchasing related transactions and account balances

7. AUDIT OF INVENTORY MANAGEMENT PROCESS

- (a) Overview of the inventory management process
- (b) Risks
- (c) Control objectives and activities
- (d) Tests of controls
- (e) Substantive procedures for payroll related transactions and account balances

8. AUDIT OF HUMAN RESOURCE MANAGEMENT PROCESS

- (a) Overview of the human resource management process
- (b) Risks
- (c) Control objectives and activities
- (d) Tests of controls
- (e) Substantive procedures for inventory related transactions, account balances and disclosures

9. AUDIT OF INVESTING/FINANCING PROCESS – INTANGIBLE ASSETS AND GOODWILL, PROPERTY, PLANT AND EQUIPMENT, INVESTMENT AND CASH

- (a) Audit objectives
- (b) Substantive procedures

10. AUDIT OF INVESTING/FINANCING PROCESS – LONG-TERM LIABILITIES, EQUITY

- (a) Audit objectives
- (b) Substantive procedures

11. AUDIT REVIEW

- (a) Audit review process
- (b) Review for contingent liabilities
- (c) Review for commitments
- (d) Review for events after reporting period
- (e) Going concern considerations
- (f) Management representations
- (g) Communications with those charged with governance and management

12. AUDIT REPORTING

- (a) Meaning of materiality and pervasiveness
- (b) Unqualified audit opinion, with or without paragraph of emphasis
- (c) Qualified audit opinion
- (d) Adverse audit opinion
- (e) Disclaimer of audit opinion

13. INTERNAL AUDIT

- (a) Objective, scope and responsibility
- (b) Comparison with external audit
- (c) Operational audit
- (d) Risk management

Indicative Bibliography:

Essential reading

Gul, A. F., & Nurmazilah, M. (2017). *Auditing: Theory and Practice in Malaysia*. K.L.: CCH Asia Pte Limited.

Eilifsen, A., Messier W. F., Glover, S. M., & Prawitt, D. F. (2014). *Auditing & Assurance Services*. UK: McGraw-Hill Education.

Porter, B., Hatherly, D. J., Simon, J. & Porter, B. (2014). *Principles of external auditing*. UK: John Wiley & Sons.

Other indicative reading

Messier, Glover, Prawitt, & Boh, M. (2007). *Auditing & Assurance Services in Malaysia*. Shah Alam: McGraw-Hill (Malaysia) Sdn. Bhd.

BPP Learning Media (Firm) (2014). ACCA Paper F8 - *Audit and Assurance (International) - Study Text*.