



# **Audit and assurance (ACC-223)**

**National University of Sciences & Technology**

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## Course Details

Course Title: Audit and Assurance

Course Code: ACC-223

Prerequisite: ACC-111

Credit Hours: 3

## Course Description

This course is designed for developing basic knowledge and understanding of the underlying principles and concepts relating to auditing.

## Course Objectives

The main objectives of the course are:

- To introduce you to the world of auditing
- To provide a basic understanding of International Auditing Standards (ISAs)
- To enable you to use basic techniques of costing and decision making
- To provide a basic foundation to build upon later advanced level of learning

## Learning Outcomes

By the end of the course you shall be able to,

- Demonstrate knowledge of general concepts governing an audit
- Demonstrate working knowledge in respect of performance of simple audit procedures and understand the audit report requirements under the Companies Ordinance, 1984 and under the International Standards for Auditing (ISAs)
- Understand the requirement and application guidelines relating to some of the specific areas of audit procedures including external confirmation, review of subsequent event etc.

- Respond on audit matters in the light of fundamental principles given in the Code of Ethics

### Required Course Material

The required text(s) for this course include:

#### Practical auditing

Javaid H. Zuberi

#### Study texts and revision kits

ACCA - F8 by Kaplan

ICAP CAF - 09

### Course Evaluation (Grade Breakup)

Quizzes	10%
Individual assignments	10%
Group projects	15%
Mid-Term Exam	25%
Final Exam	40%

### Course Content (Weekly)

Weekly breakdown is given below

Week	Lecture Topic	Sources (Other than handouts with SBS)
1	<b>Introduction</b> Difference between Audit and Assurance Difference between Reasonable and Limited assurance Appointment and removal of auditors	1. Companies Ordinance 1984 – relevant sections

	<p>Qualification and disqualification of auditors</p> <p>Powers and duties of auditors</p> <p>Contents of an audit report</p>	2. Published audit reports
2	<p><b>Acceptance of an audit</b></p> <p>Fundamental ethical principles for an auditor</p> <p>Considerations while acceptance of an audit</p> <p>Threats and safeguards</p> <p>Terms of the engagement (ISA 210)</p> <p>Engagement letter</p> <p>Responsibilities related to fraud</p>	<p>1. ICAP Code of ethics</p> <p>2. Engagement letter</p>
3-5	<p><b>Audit planning (ISA 300)</b></p> <p>Understanding the business of an entity</p> <p>Risk assessment</p> <p>Auditor's response to assessed risks</p> <p>Materiality in planning and performing an audit (ISA 320)</p> <p>Preliminary analytics</p> <p>Practice scenarios on detailed audit planning</p>	<p>1. CA Text</p> <p>2. Practical auditing by Javed H Zuberi</p>
6-7	<p><b>Audit evidence</b></p> <p>Sufficient appropriate audit evidence</p> <p>Procedures to obtain audit evidence</p> <p>Control framework</p> <p>Understanding of controls</p> <p>Tests of control</p>	<p>1. ACCA F8</p> <p>2. Practical auditing by Javed H Zuberi</p>
8	<p>Audit assertions</p> <p>Audit sampling (ISA 530)</p> <p>Audit documentation (ISA 230)</p>	
<b>MIDS</b>		

9-11	<b>Audit evidence</b> Substantive analytical procedures Substantive Tests of detail <ul style="list-style-type: none"> <li>- Cash and bank</li> <li>- Trade receivables</li> <li>- Inventories</li> <li>- Investments</li> <li>- Property, plant and equipment</li> <li>- Liabilities</li> <li>- Shareholders' equity</li> <li>- Purchases</li> <li>- Expenses (Eg Payroll)</li> <li>- Sales and other Income</li> <li>-</li> </ul>	1. CA Text 2. Practical auditing by Javed H Zuberi
12-14	<b>Audit evidence</b> Using the work of internal auditor (ISA 610) Using the work of an expert (ISA 620) Subsequent events (ISA 560) Going concern (ISA 570) Related parties (ISA 550)	Practical auditing by Javed H Zuberi
15	<b>Audit reports (ISA 700, 705, 706)</b> Forming an opinion on financial statements Emphasis of matter paragraph Qualified report Adverse report	1. ACCA F8 study text 2. Published audit reports