

9 Module 9

6.9.1. Advanced Audit and Assurance (International)

Module title						Advanced Audit and Assurance (International)					
Module NFQ level (only if an NFQ level can be demonstrated)						9					
Module number/reference						MA09					
Parent programme(s)						Master of Arts in Accounting and Finance					
Stage of parent programme											
Semester (semester1/semester2 if applicable)						Semester 1					
Module credit units						ECTS					
Module credit number of units						5					
Duration of the module						One Academic Semester, 12 Weeks Teaching.					
Average (over the duration of the module) of the contact hours per week						6					
Analysis of required learning effort											
Effort while in contact with staff											
Classroom and demonstrations		Mentoring and small-group tutoring		Other (specify)		Directed e-learning (hours)	Independent learning (hours)	Other hours (specify)	Work-based learning hours of learning effort	Total effort (hours)	
Hours	Minimum ratio teacher/learner	Hours	Minimum ratio teacher/learner	Hours	Minimum ratio teacher/learner						
48	1:40	24	1:20				53				125
Allocation of marks (within the module)											
						Continuous assessment	Supervised project	Proctored practical examination	Proctored written examination	Total	
Percentage contribution						30 %			70%	100%	

Minimum intended module learning outcomes

On the successful completion of this module, students should be able to:

- MIMLO 9.1** Explain the nature and purpose of internal and external audit and describe the legal and regulatory environment affecting the provision of audit and assurance services.
- MIMLO 9.2** Outline the statutory and contractual bases of auditing and assurance, define the role of international auditing standards, and evaluate auditing issues from an ethical perspective.
- MIMLO 9.3** Apply the methods and procedures of auditing in a professional, ethical, and independent manner, outline the role of quality control in the audit environment.
- MIMLO 9.4** Interpret an audit report, critically evaluate its findings and formulate and communicate and develop an appropriate corrective action plan.
- MIMLO 9.5** Critically evaluate and discuss current issues and controversies relating to the provision of audit and assurance services to the contemporary organisation.

Module content, organisation and structure

Indicative Syllabus:

1. Regulatory and Legal Environment

International regulatory frameworks for audit and assurance services:

- Laws, regulations, standards and other guidance relating to audit and assurance
- The effectiveness of the different ways in which the auditing profession and audit market are regulated

Money laundering:

- Explain money laundering and the scope of criminal offences of money laundering and how professional accountants may be protected from criminal and civil liability
- Explain the need for ethical guidance in the area of money laundering
- Describe, with reasons, the basic elements of an anti-money laundering regulation/legislation

Laws and regulations:

- Compare and contrast the respective responsibilities of management and auditors concerning compliance with laws and regulations
- Identify how and to whom non-compliance should be reported

2. Professional and Ethical Considerations

Ethics for professional accountants:

- Explain the fundamental principles and the conceptual framework of professional ethics
- Discuss and evaluate the effectiveness of ethical safeguards
- Identify and advise on conflicts in the application of fundamental principles

Fraud and error:

- Clearly distinguish between the terms 'error', 'irregularity', 'fraud' and 'misstatement'
- Compare and contrast the respective responsibilities of management and auditors for fraud and error

Professional liability:

- Recognise circumstances in which professional accountants may have legal liability
- Describe the factors to determine whether or not an auditor is negligent in given situations
- Compare and contrast liability to client with liability to third parties
- Evaluate the practicability and effectiveness of ways in which liability may be restricted, including professional indemnity insurance (PII)
- Discuss how audit and other opinions may be affected by limiting auditors' liability
- Advise on the operation of the holding company regime

3. Efficient Practice Management

Quality control procedures:

- Audit and assurance quality policies and procedures
- Quality assurance testing and process review

Publicity and professional assignments/fees:

- ACCA guidelines on advertising & publicity
- ACCA guidelines on fees and tendency
- Ethical aspects of fee negotiation and the threat to independence
- Comprehensive information requirements for tendering

Appointments / Removal:

- Procedures to be implemented upon appointment or removal from an audit/assignment

4. Audit/Assurance Assignments

Audit methodologies:

- Risk based auditing
- Top down / bottom up approach
- Systems audit
- Balance sheet audit

Audit planning:

- Resources required (skills, staff, IT)
- Time constraints
- Budgetary constraints
- Risk assessment methodologies

- Materiality and analytical review
- Auditing issues in a computer environment

Audit evidence:

- Identification of different types and alternative sources of audit evidence
- Evaluating the quality and reliability of audit evidence

Evaluation and reviews:

- Evaluation techniques (including analytical review) and resulting initial investigation and explanation
- Implication of and actions required in the event of inconsistency of evidence in a material matter

Group audits:

- Considerations in tendering for an subsequent acceptance of a group audit assignment
- Specific planning complexities of group audits
- Reliance on the work of another auditor and comfort letters required

Audit related services

- Corporate governance and ethical considerations of acceptance of non-audit work
- Quality assurance controls and procedures to be followed ((including adequate classification of the extent of non-audit services required)

Assurance services:

- Categories of assurance service and related cost/benefit relationship
- Alternative approaches to risk identification and assessment in non audit services
- Key aspects of Value for Money (VFM) audits – economy effectiveness and efficiency

Forensic Audits

- Distinguish between “forensic investigation” and “forensic audit”
- Applicability of fundamental ethical principles in forensic auditing

Internal Audit

- Contrast internal audit with external audit
- The issues involved in outsourcing internal audit (particularly independence and the corporate governance aspects of outsourcing)

5. Audit Reporting

Audit reports:

- Variety of types of audit report (qualified and unqualified reports)
- Contents/wording of standard and qualified audit reports with specific wording clarified for a variety of qualification circumstances
- Discussion of the relevance and meaning of the true and fair view

Management reports:

- The purpose of and the contents/structure of a typical management report

6. Current Issues

Corporate governance

- Recent developments resulting from the updating/amendment of corporate governance codes
- Diversity of corporate governance codes in different countries

IFAC/ISA

- Clarification of existing ISA's
- Updates on IFAC guidance and the requirement for staff training
- Adoption of new IFAC codes

Information Technology

- Impact of IT developments on the providers of audit and assurance services
- Alternation of the risk characteristics which occur when auditing in a computer environment
- The usefulness of CAAT's to auditors

Transnational audits

- Key differences involved when undertaking transnational audits
- Globalised audit and assurance service providers and the impact on the accounting/auditing profession

Social and environmental auditing

- The increase in frequency and the expanding diversity of environmental audit

Other current issues

- Auditing problems in small and medium enterprises
- Progress towards implementation of IFRS and the related impact on audit/assurance providers
- Recent and proposed future developments in the oversight by regulators of audit and assurance providers

Reading lists and other information resources

Title	Author	Publisher	Year
Essential:			
P7: Advanced Audit and Assurance (International),		BPP Learning Media	2017
Auditing	Millichamp, A.H. Taylor, J	Cengage	2008
IFAC Handbook of International Auditing Standards		IFAC website	2008
Principles of External Auditing, 2 nd Edition	Porter, B., Simon, J., and Hatherly, D	Chichester: John Wiley & Sons Ltd	2003
Recommended:			
Modern Auditing, 2 nd Edition	Cosserat, G.W.	Chichester: John Wiley & Sons Ltd	2009
Current Issues in Auditing	Sherer, M. and Turley, S.	PCP	

Internal Auditing	Chambers A., Selim G., and Vinten, G.	Pitman	1994
Auditing Theory and Practice	Dunn, J.	Prentice Hall	1996
Philosophy and Principles of Auditing	Flint, D.	McMillan	1988
The Audit Process	Gray, I. and Manson S.	Business Press	2000
Auditing	Guy, D.N.	Thomson Learning	1999
Auditing Today	Woolf E.	Prentice Hall	1997

REFERENCE:

Journals/Publications:

Managerial Auditing Journal
Accounting Horizons – American Accounting Association
Journal of Accounting, Audit and Finance
Auditing: A Journal of Practice and Theory
Accountancy – Institute of Chartered Accountants of England and Wales

Web-sites:

www.frc.org.uk/apb/
www.iaa.org.uk
www.accaglobal.com
www.accountancymag.co.uk
www.accountancyage.com
www.pwc.com
www.kpmg.com
www.ey.com
www.deloitte.com
www.ias.com
www.iasb.org.uk

Professional Magazines

Financial Management (CIMA)
Student Accountant (ACCA)
Accounting and Business ACCA
Accountancy Plus (CPA)
Accountancy Ireland (ICAI)