

**Module: Auditing****SPECIALISED**

- ▶ Department: Finance
- ▶ Status: Specialised
- ▶ Credits: 10
- ▶ Level 6
- ▶ Pre-Requisites: Financial Statement Analysis,

run by ESCOEX International Business School,

Organiser: Ángel Algarra

**Overall Aims and Purpose**

The aim of this module is to familiarize the student with both internal and external financial auditing, based on the review of the financial statements in order to detect or prevent errors from occurring. It is not expected that the students become experts in auditing but this module aims to provide them with an insight into how auditing works, what the benefits are, and that they understand the work and documents/reports behind this specialised area.

**Indicative Content**

1. Review – conceptual framework of accounting
2. General concepts of auditing
3. General norms of auditing
4. Material and auditing risks
5. Internal control in the company
6. Internal auditing
7. External auditing
8. Auditing proof
9. Documentation
10. Auditing report and annual accounts

**1. Review. "The conceptual framework of accounting."**

- 1.1. Annual accounts
- 1.2. Accounting information requirements
- 1.3. Accounting principles
- 1.4. Valuation rules
2. General audit concept.
3. General Auditing Standards.
  - 3.1. General or personal standards, relating to the subject auditor
  - 3.2. Rules on work performance.
  - 3.3. International Standards on Auditing in Spain NIAS-ES
  - 3.4. Rules on reporting
4. Materiality and audit risk
5. The internal control in the company
6. Internal Audit.
  - 6.1. Concept and objectives of internal audit
  - 6.2. Focus and scope of work.
  - 6.3. The internal audit report
7. External audit: basics and more important in the process of reviewing the financial statements of a company

procedures.

7.1. Concept and objectives.

7.2. The audit approach.

7.3. Work development.

- Previous activities

- Preliminary planning

- Development of audit plan

- Implementation of audit plan

- Conclude and inform.

8. Evidence audit

9. Documentation and archiving of working papers

The audit report of annual accounts: report types

#### Assessment Methods

1 mid term exam worth 40% and 1 final exam worth 60%.

#### Teaching and Learning Strategy

The student will analyse cases and practical exercises from real company situations in order to assess the financial health of a company, evaluate the investment projects possible and the financial structure etc..

200 notional learning hours comprising 112 hours classroom-based and 88 hours tutor-directed student learning.

#### Key Skills Taught

D1: Communication and presentation skills including audio, oral and written, using a range of methods.

D2: Numeracy, computing & information technology skills; this requires familiarity with a range of business data, research sources and appropriate methodologies

D4: Problem solving skills including identifying, formulating and solving business problems; the ability to create, evaluate and assess a range of options, together with the capacity to apply ideas and knowledge to a range of situations

D5: The ability to self-appraise and reflect on practice including the development of skills associated with critical reflection

D6: The ability to plan and manage learning in terms of time, behaviour, motivation, self-starting, individual initiative and enterprise

#### Indicative Reading

##### Essential Reading:

##### Internal Auditing

- Herrador Alcaide, TC (2012), *Teoría de la auditoría interna*, Ediciones Académicas, España
- Rusenar, RO (1983), *Manual de Auditoría interna y operativa*, Ed. Cangallo, Argentina
- Spencer Picket, KH (2007), *Manual básico de auditoría interna: de la teoría a la práctica profesional*, Ediciones gestión 2000, España

##### External Auditing

- Casanovas Parella, I, Gassó Vilafranca, JM, Verges Mane, E (2006), *El marco legal de la auditoría en España*, Ed. Instituto de Auditores-Censores Jurados de CUNETAS, España
- Sánchez Fernández, JL (2014), *Teoría y práctica de la Auditoría*, Ed. Pirámide, España
- VVAA (2014), *Manual de auditoría adaptado a las NIAs*, Ediciones Francis Lefebvre, España

Journals:

Press: Economist, Expansión, Cinco Días, Actualidad Económica)

Web pages:

WEB: ICAC, ICJCE e Instituto de auditores internos.