



UNIVERSITI TEKNOLOGI MARA

AUD589: AUDITING 1

Course Name (English)	AUDITING 1 APPROVED
Course Code	AUD589
MQF Credit	3
Course Description	This course is an introductory course in auditing and it introduces students to the fundamental principles and concepts of auditing. The emphasis shall be given on external auditing as required by the Companies Act 2016. The course explains the roles and responsibilities of accountants in public practice, and the task involved in carrying out auditing engagement. The coverage of the course includes overview on the relevant regulations in auditing, fundamental requirements of audit planning and fieldwork, methodology of auditing financial statement cycles and issuance of auditor's report. The basic knowledge on auditing acquired from this course will be expanded in the advanced auditing course. Teaching and learning processes shall involve interactive lecture engagement, collaborative learning through case study and simulation of report writing and presentation. Students shall be assessed via continuous assessment and final examination.
Transferable Skills	Cognitive Affective Communication
Teaching Methodologies	Lectures, Blended Learning, Tutorial, Presentation
CLO	CLO1 Apply the relevant statutory, regulatory and requirements from accounting professional bodies in making professional audit judgement for Malaysian entities. CLO2 Adhere to professional ethics and values in tasks related to concepts, processes and relevant audit procedures. CLO3 Assess the issuance of audit report based on findings from relevant audit procedures.
Pre-Requisite Courses	No course recommendations
Topics	
1. Introduction to Auditing 1.1) Definition of auditing 1.2) Objectives of financial statements audit 1.3) Distinction between accounting and auditing 1.4) Management and auditor's responsibilities 1.5) Demand for auditing 1.6) Types of audits and auditors 1.7) Chartered accountant 1.8) Professional services	
2. Audit Regulations 2.1) Companies Act 2016 2.2) MIA By-Laws (On Professional Ethics, Conduct and Practice) 2.3) Auditing standards 2.4) Audit Oversight Board	

3. Audit Planning and Fieldwork

- 3.1) Scope of financial statement audit
- 3.2) Internal controls
- 3.3) Audit planning
- 3.4) Risk and materiality
- 3.5) Audit sampling
- 3.6) Audit evidence and audit procedure
- 3.7) Audit documentation

4. Audit of Financial Statement Cycles

- 4.1) Types of financial statement cycles
- 4.2) Overview of the classes of transactions and account balances
- 4.3) Business functions and documents
- 4.4) Audit procedures and audit tests for financial statement cycles

5. Audit of Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income

- 5.1) Audit procedures for statement of financial position - account balances and disclosures
- 5.2) Audit procedures for statement of profit or loss and other comprehensive income

6. Independent Auditor's Report

- 6.1) Elements of audit report
- 6.2) Types of audit report
- 6.3) Key audit matters

7. Contemporary Issues and Developments in Auditing

- 7.1) Professional scepticism
- 7.2) Professional judgement
- 7.3) Others technical issues

Assessment Breakdown	%
Continuous Assessment	50.00%
Final Assessment	50.00%

Details of Continuous Assessment	Assessment Type	Assessment Description	% of Total Mark	CLO
	Group Project	Group Assignments	15%	CLO2
	Online Quiz	Quizzes	15%	CLO1
	Test	Test	20%	CLO1

Reading List	Recommended Text
	<ul style="list-style-type: none"> • Arens, A.A., Elder, R.J., Beasley, M.S. Adapted by Noor Afza., Faudziah Hanim, Nor Zalina, Mohamad Naimi & Rohami 2014, <i>Auditing and Assurance Services in Malaysia: An Integrated Approach</i>, 3rd Edition Ed., Pearson Kuala Lumpur, Malaysia • Gul, Ferdinand A, Mahzan, Nurmazilah 2017, <i>Auditing: Theory & Practice in Malaysia</i>, 3rd Edition Ed., CCH Malaysia Sdn Bhd Malaysia
Reference Book Resources	<ul style="list-style-type: none"> • CA, <i>Companies Act 2016</i> • MIA, <i>MIA's By Laws (On Professional Ethics, Conduct and Practice)</i> • MIA, <i>Malaysian Approved Standards on Auditing</i> • Ahmad, A.C., Haron, H., Malik, M., Hariri, H., Khan, N. I., & Nelson, S. P. 2017, <i>Fundamentals of Auditing</i>, First Edition Ed., Oxford Fajar Sdn Bhd • Messier, W. F., Glover, S. M., & Prawitt, D. F. 2012, <i>Auditing & Assurance Services: A Systematic Approach. Issues in Accounting Education</i>, Eight Edition Ed., MrGraw Hill Irwin • Gary, G., and Simnett, R 2010, <i>Auditing and Assurance Services in Australia</i>, McGraw Hill Sydney, Australia • Johnstone, K., Gramling, A., & Rittenberg, L. E 2013, <i>Auditing: A Risk-Based Approach to Conducting a Quality Audit</i>, Ninth Edition Ed., South-Western Cengage Learning
Article/Paper List	This Course does not have any article/paper resources
Other References	This Course does not have any other resources