



**College of Business and Economics
Department of Accounting and Finance**

Course Number	AcFn 3161
Course Title	Auditing Principles and Practices I
Degree Program	BA Degree in Accounting and Finance
Module	Auditing and assurance services
Module No and Code	M16, AcFn-M3161
ETCTS Credits	5
Contact Hours (per week)	3
Course Objectives & Competences to be Acquired	<p>At the end of the course students will be able to:</p> <ul style="list-style-type: none"> • Understand the nature, types, and utility [to the society] of Auditing. • Be acquainted with the underlying professional standards that Public Accounting employs and the primary legal concepts and terms therein. • Comprehend the significance of internal control assessment in the planning and conducting of an audit. • Distinguish the different types of Audit Reports and the variety of circumstances and conditions where one is more appropriate than the others. • Be familiar with the working of the auditing profession in Ethiopia.
Course Description	<p>This course explores the underlying theories, procedures and practices surrounding the auditor's responsibilities in undertaking an audit of financial statements of reporting entities. It deals with the auditing profession, the process of collecting and evaluating evidence to determine whether an economic entity safeguards assets, maintains data integrity, and produces reliable financial statements. It also covers the study and evaluation of internal control and the role of internal auditors in fraud prevention and detection. Audit reports on financial statements and the most frequent variations in audit are also covered.</p>
Course Contents	
<p>1. An overview of auditing</p> <p>1.1 Definition and Nature of Auditing</p> <p>1.2 Accounting vs. auditing</p> <p>1.3 Type of Audit and Auditors</p> <p>1.4 Economics of Auditing</p>	
<p>2. The auditing profession</p> <p>2.1. Generally accepted auditing standards</p> <p>2.1.1. General standards</p> <p>2.1.2. Standards of Filed work</p> <p>2.1.3. Standards of Reporting</p> <p>2.2. Professional Ethics</p>	

2.3. Legal responsibility and Liability
3. Planning and conducting the Audit 3.1. Reasons for Audit planning 3.2. Planning procedures 3.3. Designing of Audit program 3.4. Audit working paper 3.5. Audit risk 3.6. Materiality
4. Internal Control 4.1. Meaning of Internal Control 4.2. Internal Control and Internal Audit 4.3. Control Environment 4.4. Risk Assessment 4.5. Control Activities 4.6. Limitation of Internal Control 4.7. The Auditor's Consideration of internal control
5. Audit Evidence 5.1. The relationship of evidence to audit risk 5.2. Financial statement assertions 5.3. Sufficient competent evidential matter 5.4. Types of audit evidence 5.5. Evidence about accounting estimates
6. Audit Reports 6.1. Introduction 6.2. Types of audit reports 6.3. Contents of audit reports
Auditing and Auditors in Ethiopia
Text Book: Principles of Auditing and Practice 2nd ed Thomas and Henke <ul style="list-style-type: none"> • Auditing, Kiger and Scheiner • Principles of auditing, 10th ed. Meigs and others • Basic auditing principles Arthur and Holmes • Commercial code of Ethiopia • Lessane auditor, quarterly publication of OAG • Various proclamations and financial regulations and journals • Journal of accountancy, AICPA • The accounting review, AAA