



HIMACHAL PRADESH NATIONAL LAW UNIVERSITY,
SHIMLA

SEMESTER-II

B.B.A. LL.B. (Hons.)

COURSE CODE: BBA__

AUDIT PRACTICES

CREDITS-04

Module-1

Concept of Audit and Auditing Standards

- 1.1 Nature, Objective and Scope of Audit, Advantages and Limitation of Audit
- 1.2 Types of Audit, Relationship of Audit with other Disciplines,
- 1.3 Independence of an Auditor: Functional Classification and Qualities of an Auditor
- 1.4 Auditing Standards: Standards for Quality Control, Standards on Review Engagements, Standards on Assurance Engagements, Standards on Related Services
- 1.5 Difference between Audit and Investigation

Module-2

Audit Strategy, Audit Evidence and Internal Control

- 2.1 Audit Plan: Planning an Audit of Financial Statements, Audit Programme and its Development
- 2.2 Audit Documentation: Nature, Purpose and Extent of Audit Documentation
- 2.3 Audit Evidence: Sources, Procedures, Relevancy and Evaluation
- 2.4 Analytical Procedures: Meaning, Nature, Purpose and Timing
- 2.5 Internal Control: Meaning and Significance, Internal Audit

Module-3

Risk Assessment, Audit Sampling, Prevention and Detection of Fraud

- 3.1 Vouching: Meaning and Significance, Vouching of Cash transactions, Vouching of Trading Transactions Verification
- 3.2 Audit Sampling: Meaning of Audit Sampling, Designing of Audit Sample, Types of Sampling
- 3.3 Audit of Items in Financial Statements: Audit of Assets & Liabilities: Fixed Assets, Investments, Intangible Assets, Share Capital, Debentures.
- 3.4 Responsibilities for Prevention and Detection of fraud: Risk of Material Misstatement due to Fraud, Communication of Fraud.
- 3.5 Auditing in an Automated Environment: Key Features of an Automated Environment, Enterprise Risk Management

Module-4
Company Audit and Audit of Special Entities

- 4.1 Audit Report: Basic Elements, Types of Audit Report, Forming an Opinion and Reporting on Financial Statements, Disclaimer, Adverse Opinion
- 4.2 Auditor-Power, Duties and Liabilities, Appointment and Removal, Ceiling on number of audits, Remuneration of Auditor- Section 142(Companies Act, 2013)
- 4.3 Company Audit, Cost Audit, Management Audit and Tax Audit, Important Provisions of Companies Act, 2013
- 4.4 Audit of Banks: Understanding Accounting system in Banks, Audit Approach, Audit of Revenue Items, Special consideration in Bank audit with emphasis on Advances and NPAs
- 4.5 Audit of Special Entities: Government, Local Bodies, Not for Profit Organizations, Partnership Firms and LLPs.

Prescribed Legislation:

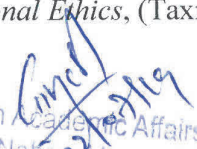
- 1) Companies Act, 2013
- 2) Chartered Accountants Act, 1949
- 3) Income Tax Act, 1961

(A) Prescribed Books:

1. Sekar, CA G. & CA B. Sarvana Prasath, *Student's Handbook on Auditing and Assurance*, (Wolters Kluwer, 2018)

(B) Reference Books:

1. Tandon, B.N., S. Sudharsnam & S. Sundharabahu, *A Hand book on Practical Auditing*, (S. Chand Publishing)
2. Kumar, Ravinder and Virendra Sharma, *Auditing: Principles and Practices*, (PHI Learning, 2015)
3. Ainapure, Varsha and Mukund Ainapure, *Auditing and Assurance*, (PHI Learning Pvt. Ltd., 2009)
4. Gupta, Kamal, Ashok Arora, *Fundamental of Auditing*, (Tata McGraw Hill Education Limited, 2003)
5. Garg, Pankaj, *Advanced Auditing & Professional Ethics*, (Taxmann Publication, 2018)


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