



APPLIES TO ACADEMIC YEAR 2008/2009

## GRA 6262 Auditing III and IV: Advanced Topics in Auditing

### Program

Master in Professional Accountancy

### Responsible for the course

Flemming Ruud, Svein A Løken

### Department

Department of Accounting - Auditing and Law

### Term

According to study plan

### ECTS Credits

12

### Language of instruction

Norwegian

The purpose of external financial auditing is to attest in the auditor's report that the financial statements have been prepared according to relevant legislation, rules and standards.

### Learning outcome

The purpose of Auditing III is to give the students an in-depth understanding of the interaction between the objectives and strategies of companies and how accounting systems and internal control can help achieve those objectives. The students should understand the quality features of various systems solutions and accounting as well as related tasks. The objective and professional practice of internal auditing tasks are introduced and corresponding international standard are discussed.

Based on the three prior auditing courses, Auditing IV covers selected major areas of study within auditing that are especially important for the auditor's profession and work. Particular emphasis is placed on recent international developments in auditing, including new legislation and its impact on auditing. Examples are the the US Sarbanes Oxley Act, EU 8th Directive, various types of assurance services, etc. Further subjects to be covered include financial crime and criminal procedure factors, and auditing for other purposes such as environmental audits, due diligence, etc.

### Prerequisites

GRA 6250 Introduction to auditing and GRA 6257 Audit theory and methodology.

### Compulsory literature

#### Books:

Arens, Alvin A., Randal J. Elder and Mark S. Beasley. 2008. Auditing and assurance services: An integrated approach. 12th ed. Upper Saddle River, N.J.: Pearson Prentice Hall. Kap. 18-23, 25-26

Dunn, Cheryl L., J. Owen Cherrington, Anita S. Hollander. 2005. Enterprise information systems: A pattern-based approach. 3rd ed. Boston: McGraw-Hill/Irwin

Hunton, James E., Stephanie M. Bryant, Nancy A. Begranoff. 2004. Core concepts of information technology auditing. Hoboken, N.J.: Wiley

Kinney, William R.. 2006. Information quality assurance and internal control for management decision making. 2nd ed. London: McGraw-Hill

Tvedt, Terje, Tove-Gunn Moen og Siri Helen Reidulff. 2005. Ny bokføringslov: En presentasjon av lov og forskrift. 2. utg. Oslo: DnR forlag

#### Other:

1996. Intern kontroll: Et integrert rammeverk. Oversettelse av COSO-rapporten. Oslo:

Cappelen Akademisk Forlag.. Nettversjon av COSO-rapport

Artikler og annet materiale utdelt til forelesningene.

IAs standarder. Siste utgave. The Institute of Internal Auditors, Norges Interne Revisors Forening

### Recommended literature

#### Books:

1999. Internal control: Guidance for directors on the combined code. London: Institute of Chartered Accountants in England & Wales. (Turnbullrapporten)  
Committee on the financial aspects of corporate governance. 1992. Report of the Committee on the financial aspects of corporate governance. London: GEE. (Cadburyrapporten  
Garfinkel, Simson with Gene Spafford. 2002. Web security, privacy, and commerce. 2nd ed. Sebastopol, Calif.: O'Reilly  
Knapp, Michael C.. 2006. Contemporary auditing: Real issues and cases. 6th ed. Mason, Ohio: Thomson/South-Western  
Moen, Tove-Gunn, Bjørgunn Havstein. 2005. Regnskapsorganisasjon: Bokføring og intern kontroll. 4. utg. Oslo: Cappelen Akademisk Forlag. Kravet til forkunnskaper dekkes ved denne boken  
Romney, Marshall B. and Paul John Steinbart. 2008. Accounting information systems. 11th ed. Upper Saddle River, N.J.: Pearson Prentice Hall. Kravet til forkunnskaper dekkes ved denne boken.

**Other:**

AICPA. 1997. Statement on Auditing Standards (SAS) 82: Consideration of Fraud in a Financial Statement Audit. New York: The Institute  
ISACA. SISAS (Statements on Information Systems Auditing Standards).. Online. Tilgjengelig via URL: <http://www.isaca.org/>  
Relevante norskse lover, forskrifter og standarder, samt Revisors Håndbok

**Course outline**

**Auditing III**

Basic model for accounting systems  
The quality concept and securing of data quality  
Continuous Auditing and Monitoring.  
Data protection  
Event-driven systems, systems in stages  
Databases, excerpts, extractions, control systems and electronic signatures  
Accounting legislation and good accounting practice  
Data exchange between accounting systems  
Operational auditing and quality auditing  
Internal audit  
IT auditing, IT-risks and –controls  
Standards and models for IT-audits: good IT practice, ISACA and ITIL  
IT and statutory financial auditing

**Auditing IV**

Errors and Irregularities, RS 240 and related standards  
Financial crime, corruption, misappropriation of funds, tax evasion  
Money laundering  
Environmental auditing  
Criminal procedure  
Sarbanes-Oxley legislation  
Other certification tasks than financial audit  
Auditing of the public sector  
Auditing across national borders. Human relations and intercultural collaboration.

**Computer-based tools**

**Course structure**

72 hours of lectures.

Specific Information regarding student evaluation will be provided in class. Please note that while attendance is not compulsory in all courses, it is the student's responsibility to obtain any information provided in class that is not included on the course homepage/Blackboard or text book.

**Evaluation**

6-hour written examination.

**Evaluation code(s)**

GRA 62621accounts for 100 % of the final grade in the course GRA6262

**Aids at the examination**

Auditor's Manual, latest edition.  
Approved Code of laws.

Exam aids at written examinations are explained under exam information in our web-based Student handbook. Please note use of calculator and dictionary.  
<http://www.bi.edu/studenthandbook/examaids>

**Makeup exam**

Re-takes are only possible at the next time a course will be held. When the course evaluation has a separate exam code for each part of the evaluation it is possible to retake parts of the evaluation. Otherwise, the whole course must be re-evaluated when a student wants to retake an exam. Retake examinations entail an extra examination fee.

**Honor code**

Academic honesty and trust are important to all of us as individuals, and represent values that are encouraged and promoted by the honor code system. This is a most significant university tradition. Students are responsible for familiarizing themselves with the ideals of the honor code system, to which the faculty are also deeply committed.

Any violation of the honor code will be dealt with in accordance with BI's procedures for cheating. These issues are a serious matter to everyone associated with the programs at BI and are at the heart of the honor code and academy integrity. If you have any questions about your responsibilities under the honor code, please ask.