



APPLIES TO ACADEMIC YEAR 2014/2015

## GRA 6257 Audit Theory and Methodology

### Programme

Master in Professional Accountancy

### Responsible for the course

Flemming Ruud

### Department

Department of Accounting - Auditing and Law

### Term

According to study plan

### ECTS Credits

6

### Language of instruction

Norwegian

### Introduction

The course aims to give students a deeper understanding of the theoretical and methodological basis for the subject area of financial auditing and how it is practised.

### Learning outcome

The students are given an in-depth comprehension of the theoretical and methodological basis for auditing the annual accounts. Internationally established practice based on legislation and standards (particularly IFAC/RS) are discussed in detail.

### Prerequisites

None apart from qualifying for admission to the programme

### Compulsory reading

#### Books:

Arens, Alvin A., Randal J. Elder, Mark S. Beasley. 2014. Auditing and assurance services : an integrated approach. 15th ed. Pearson. Kapitlene 1-3 og 5-17 og 24

Beasley, Mark S ... [et al.]. 2012. Auditing cases : an interactive learning approach. 5th ed. Pearson

Revisors håndbok. Siste utg. Den norske revisorforening. Revisjonsstandarder

#### Other:

Aktuelle artikler og annet materiale utdelt eller henviset til i forelesningene.

I løpet av kurset kan det bli delt ut materiale på flere emner som er relevante for kurset og eksamen

### Recommended reading

#### Course outline

- Auditing, certification and assurance services and connected auditor tasks
- The objective of the audit
- Comprehension of the need for financial audits – legal regulation vs. market mechanisms
- Acceptance of audit assignments, content and formulation of appointment letter, including an understanding of the company's activities, legal conditions
- The role of auditing in a corporate governance perspective
- The audit process
  - Strategic planning of auditing, auditing of business processes
  - Detailed understanding of materiality and risk assessments, including organizations' business risk, with consequences for the audit and the audit risk model
  - The auditor's assessment of the client's internal control (must be considered in connection with the course Auditing III and IV)
  - Types and combinations of audit evidence for various audit areas
  - Analytical auditing
  - Audit of the sales and collection cycle
  - Samples for testing, random checks and test methods, including the use of statistical random checks
  - Assessment of faults and irregularities, discovered violations of the law,

- consequences for further auditing and reporting
- Latent obligations
- Events after balance sheet date
- Assessments of the conditions for continued operations
- Audit of the board's annual report, management obligations
- Quality requirements of the audit (including generally accepted auditing standards)
- The auditor's reporting to external users, formulation of the auditor's report, types of auditor's reports
- Sanctions against the auditor

### **Computer-based tools**

It's learning

### **Learning process and workload**

A course of 6 ECTS credits corresponds to a workload of 160-180 hours.

A combination of lectures, cases, plenary and group discussions. Seminars in smaller groups in which the work (written assignments and active participation) are evaluated.

Please note that while attendance is not compulsory in all courses, it is the student's own responsibility to obtain any information provided in class that is not included on the course homepage/It's learning or text book.

### **Examination**

3-hour written examination

### **Examination code(s)**

GRA 62571 written exam accounts for 100 % of the final grade in the course GRA 6257.

### **Examination support materials**

Auditor's manual, BI- approved exam calculator

Examination support materials at written examinations are explained under examination information in the student portal @bi. Please note use of calculator and dictionary in the section on support materials.

### **Re-sit examination**

It is only possible to retake an examination when the course is next taught.

The assessment in some courses is based on more than one exam code.

Where this is the case, you may retake only the assessed components of one of these exam codes.

Where this is not the case, all of the assessed components of the course must be retaken.

All retaken examinations will incur an additional fee.

### **Additional information**

#### **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 academic integrity. If you have any questions about your responsibilities under the honor code, please ask.