

FINANCIAL AUDITING

Degree in Accounting

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Degree in Finance

Code: 12018

Main Scientific Area: Auditing

Lecturer: Sara Alexandra Eira Serra

Language of Instruction: Portuguese

Regime: S1

Contact Hours: 60h Total Workload: 108h

ECTS: 6,0

Objectives

The Financial Auditing subject seeks to offer the students the necessary knowledge about planning, performing and controlling the quality of an audit, namely concerning the financial statements of companies and other organizations, based on the existing standards and principles, which should be taken into account by the auditor while performing his work.

Learning Outcomes

At the end of the Financial Auditing curricular unit, students should: A) Recognize the nature and objectives of financial auditing; B) Understand the role of Auditor in Society; C) Identify and explain the legal framework of financial auditing; D) Apply the acquired knowledge to plan and conduct financial auditing; E) Understand the importance of the Internal control F) Assess audit risk and internal control system; G) Apply the methods and auditing techniques, H) Prepare the working papers; I) understand the process of obtaining evidence, the emission of the auditor's opinion and the preparation of audit reports.

Course Contents

To achieve the above objectives defined, the following syllabus: A) Theoretical Audit background of Evolution, objectives, limitations, types and explanatory theories of the Auditing; B) The role of Financial Auditing and scope of Auditors' intervention; C) The Auditor's professional activity; D) The auditor's Ethics and Professional Deontology; E) Auditing Standards; F) Methods and techniques of Financial Auditing: general and analytical auditing procedures, substantive tests and sampling techniques; G) Assessment of Internal Control System: analysis of their components, control tests and methods of recording; H) Phases of Auditing: Planning, execution, and emission of the Auditor's Report; I) Auditing to the financial statements; J) Reports and audit opinions: the models and the importance of these documents.

Recommended Bibliography

ALMEIDA, Bruno. (2022), Manual de Auditoria Financeira, Escolar Editora, 4ª Edição.

BAPTISTA DA COSTA, Carlos (2023). Auditoria Financeira - Teoria e Prática. 13.ª Edição. Editora Reis dos Livros, Lda.: Lisboa.

BAPTISTA DA COSTA, Carlos e CORREIA ALVES, Gabriel. (2011), Casos Práticos de Auditoria Financeira, Reis dos Livros, 6.ª Edição.

INTERNATIONAL AUDITING AND ASSURANCE STANDARDS BOARD. (2018). Manual das Normas Internacionais de Controlo de Qualidade, Auditoria, Revisão, Outros Trabalhos de Garantia de Fiabilidade e Serviços Relacionados - Parte 1. Tradução da Ordem dos Revisores Oficiais de Contas.

INTERNATIONAL AUDITING AND ASSURANCE STANDARDS BOARD. (2018). Manual das Normas Internacionais de Controlo de Qualidade, Auditoria, Revisão, Outros Trabalhos de Garantia de Fiabilidade e Serviços Relacionados - Parte 2. Tradução da Ordem dos Revisores Oficiais de Contas.

TABORDA, Daniel. (2019), Auditoria – Revisão Legal das Contas e outras funções do Revisor Oficial de Contas, Edições Sílabo, 3.ª Edição.

GRAY, Iain e MANSON, Stuart. (2019), The Audit Process: Principles, Practice and Cases, Cengage Learning EMEA, 7.ª Edition.

Learning and Teaching Methods

The Syllabus was defined according to the objectives to be attained in this curricular unit and the competencies to be acquired by students. It is exemplified next by the coherence of these two parameters. A fundamental aim of this curricular unit is to demonstrate the scope and importance of Financial Auditing for entities and for Society, which is accomplished with the first four programmatic contents of the Syllabus. These contents show the evolution of auditing and highlight the social role that this practice has assumed in defence of public interest, namely, through the increase of the transparency and credibility of financial information, which increases the trust of Stakeholders and improves the process of decision making. Despite the numerous advantages of Financial Auditing, there are. However, some limitations are mainly related to the lapse of time in which it is performed. This fact shifts the focus of Financial Auditing to financial statements, which are corroborated by sampling techniques and, therefore, less sensitive to bad management and even fraudulent practices. In this context, it is essential to implement an internal control system to ensure operational efficiency, improve business processes and their results, and trust and integrity of financial information. In this sense, this curricular unit's objective will be to explore the main internal control procedures, their components, limitations, and evaluation forms (Ponto G of the Syllabus). In addition to the above objectives, this curricular unit intends to demonstrate how to develop financial auditing. For such, the national and international auditing legal framework will provide the students with the appropriate knowledge about the procedures to establish during auditing and the type of opinion to be addressed at the end. All aspects concerning the planning, execution, and conclusion of the auditing, especially the relationship between audit risk, materiality, and the audit evidence, are crucial to define the level of safety of the Auditor's opinion. All these matters will be presented from point E) of Syllabus from a practical perspective. The analysis of case studies in this component should be emphasized so that students can acquire the appropriate competencies to execute an efficient auditing process.

Assessment Methods

Continuous Evaluation

Two group exercises: 30% of the total grade (Exercise 1: 10% and Exercise 2: 20%);

Written Exam: 70 % of the total grade

For the student to obtain approval in this curricular unit, the weighted average of all evaluation components should be equal or superior 10 values.

Remaining evaluation times, including grade improvement

Written exam = 100%

