

ADVANCED FINANCIAL AUDITING

MSc Degree in Auditing

Code: 9595112

Main Scientific Area: Auditing

Lecturer: Sara Alexandra Eira Serra

Language of Instruction: Portuguese

Regime: S1

Contact Hours: 40h Total Workload: 142h

ECTS: 6,5

Objectives

This curricular unit aims to provide students with the necessary knowledge to develop a financial auditing, based on professional standards emitted by national and international organisms.

Learning Outcomes

The objectives and competencies to be acquired are the following: A) Recognize the nature, objectives and limitations of financial auditing; B) Know the legal framework of the financial auditing; C) Apply the acquired knowledge to plan and conduct a financial auditing; D) Know to evaluate the internal control system and effect recommendations about it; E) Assess audit risk and to act in accordance with them; F) Select and apply the methods and auditing techniques, G) Select and use sampling techniques; H) Prepare the working papers; I) understand the process of obtaining evidences, the emission of the auditor's opinion and the preparation of audit reports.

Course Contents

In order to achieve the above objectives are defined, the following syllabus: A) Theoretical Audit background; B) The legal framework of the auditing; C) The Auditor's professional activity; D) The auditor's Ethics and Professional Deontology; E) National and international Auditing Standards; F) Types of responsibility of the Auditor; F) Importance of independence of the Auditor; G) Quality of work of the Auditor; H) Role of the Auditor in the prevention and detection of fraud; I) Assessment of Internal Control System; J) The audit planning; K) Auditing procedures and substantive tests; L) The proof in auditing and the assertions of the Financial Statements; M) Working Papers; N) Auditing to the financial statements; O) Reports and audit opinions: the models and the importance of these documents; P) Audit and public opinion: the expectation gap; Q) Audit and new trends in financial reporting.

Recommended Bibliography

ALMEIDA, Bruno. (2005), Auditoria e Sociedade: Diferenças de expectativas, Publisher Team.

ATTIE, William. (2018), Auditoria - Conceitos e Aplicações, Editora Atlas, 7.^a Edição.

COSSERAT, Graham. (2009), Modern Auditing, John Wiley Sons, 3.^a Edition.

DENNIS, Ian. (2018), Auditing Theory, Taylor Francis LTD.

GRAMLING, Johnstone. (2018), Auditing Risk Based Approach, Cengage Learning, Inc.

GRAY, Iain e MANSON, Stuart. (2011), The Audit Process: Principles, Practice and Cases, Cengage Learning EMEA, 5.^a Edition.

GUIMARÃES, Joaquim. (2007), Revisores Oficiais de Contas, INFOCONTAB Edições, Lda.

HAYES, Rick; DASSEN, Roger; SCHILDER, Arnold e WALLACE, Philip. (2014), Principles of Auditing: An Introduction to International Standards on Auditing, Pearson, 3^a Edition.

INÁCIO, Helena (2014), Controlo Interno: Enquadramento teórico e aplicação prática; Escolar Editora.

KNAPP, Micheal (2013), Contemporary Auditing: Real Issues and Cases, Cengage Learning, 9^a Edition.

TABORDA, Daniel. (2015), Auditoria: Revisão Legal das Contas e outras funções do Revisor Oficial de Contas, Edições Sílabo, 2^a Edição.

Learning and Teaching Methods

The syllabus was defined according to the objectives to be attained in this curricular unit, as well as the competencies to be acquired by students. It is exemplified next, the coherence of these two parameters.

A fundamental aim of this curricular unit is to demonstrate the importance of Financial Auditing which is accomplished with the first four programmatic contents of the syllabus. These content show the evolution of Auditing and highlight the social role that this practice has assumed in defense of public interest, namely, through the increase of the transparency and credibility of financial information what increases the trust of Stakeholders and improves the process of decision making. Additionally, this practice contributes to the improvement of management techniques, especially, for the optimization of resources.

In spite of the numerous advantages of Financial Auditing, there are, however, some limitations mainly related with the lapse of time in which it is performed, that cause the incidence only in the financial statements, getting to analyze aspects that may indicate bad management or even fraudulent practices. In this context, it is extremely important to implement an adequate internal control system. This will be also an objective of this curricular unit to emphasize the contribution of this instrument for the effective, efficient and economic management of the entities as well as define their components and limitations.

In addition to the above objectives, this curricular unit intends, essentially, to demonstrate how to develop a financial auditing. For such, it will be presented the national and international auditing legal framework, which will provide the students with the appropriate knowledge about the procedures to develop in the course of an auditing as well as the type of opinion to be addressed at the end of the same. In accordance, it will be presented all aspects concerning the planning, execution, and conclusion of the auditing, in especially, the relationship between audit risk, materiality and the audit evidence, that is crucial to define the level of safety of Auditor's opinion. All these matters will be presented from the point J) of Syllabus, from a practical perspective. The analysis of case studies in this component should be emphasized so that students could acquire the appropriate competencies needed to execute an effective auditing process.

Assessment Methods

The evaluation format will take in account not only the knowledge but also the capacities and competencies previously defined for this curricular unit. In this sense the following criteria are defined:

A) Working Group = 60%;

B) Written examination = 40%.

For the student to obtain approval in this curricular unit, the weighted average of all evaluation components should be equal or superior ten values and a minimum score of each evaluation component should be equal or superior eight values.