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: 42h Total Workload: 112h

ECTS: 5,5

Objectives

This curricular unit aims to provide students with the necessary knowledge to develop 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 financial auditing; D) Know to evaluate the internal control system and effect recommendations about it; E) Assess audit risk and to act following 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 evidence, the emission of the auditor's opinion and the preparation of audit reports.

Course Contents

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. (2022), Manual de Auditoria Financeira:Uma análise integrada baseada no risco, Escolar Editora, 4ª Edição.

ALVES, Joaquim. (2015), Princípios e Prática de Auditoria e Revisão de Contas, Edições Sílabo.

BAPTISTA DA COSTA, Carlos. (2023), Auditoria Financeira – teoria e prática, Editora Reis dos Livros, 13.ª Edição.

BAPTISTA DA COSTA, Carlos e CORREIA ALVES, Gabriel. (2019), Casos Práticos de Auditoria Financeira, Reis dos Livros, 12.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.

GRAY, Iain e MANSON, Stuart. (2015), The Audit Process: Principles, Practice and Cases, Cengage Learning EMEA, 6.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 importance of Financial Auditing, accomplished with the first four programmatic contents of the Syllabus. This content shows the evolution of auditing and highlights 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 decision-making process. Additionally, this practice contributes to the improvement of management techniques, mainly for the optimization of resources.

Despite the numerous advantages of Financial Auditing, there are. However, some limitations, mainly related to the lapse of time in which it is performed, cause the incidence to be only in the financial statements, allowing us to analyze aspects that may indicate lousy management or even fraudulent practices. In this context, it is essential to implement an adequate internal control system. Thus, it will also be an objective of this curricular unit to emphasize the contributions of this instrument for effective, efficient, and economical management of the entities as well as define their components and limitations.

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 develop in the course of auditing as well as the type of opinion to be addressed at the end of the same. 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. From a practical perspective, all these matters will be presented from point J) of the Syllabus. 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:

One Group work: 45% (40% for written work and 5% for presentation)

Two Partial tests, solved individually in class: 55% (25% for the first test and 30% for the second test)

For the student to pass this curricular unit, the weighted average of all assessment components must be equal to or greater than 9.50.

Remaining assessment periods, including grade improvement:

Written exam = 100%