

Professional 1



Paper 2 -Auditing (1)

Examination Duration: 3 hours

OBJECTIVE: -The objective of this paper will be to test the candidate's understanding of the nature and purpose of an audit including the knowledge of the procedures and tests involved and the legal requirements and professional standards relating to the statutory auditing of accounting documents and to those carrying out such audits. Knowledge of all IAS and IFRS is applicable. Auditing Guidelines as issued by the Institute also applicable.

SYLLABUS	Knowledge Requirements
1. NATURE AND PURPOSE OF AN AUDIT	B
2. THE AUDITOR'S ROLE	A
1. Appointment.	
2. Dismissal.	
3. Power.	
4. Duties and Rights.	
5. Independence	
6. Responsibilities to third parties.	
7. Ethics.	
3. AUDIT PLANNING	A
Initial Review of Accounting Procedures and Internal Control Development of Audit programmes.	
Distinguishing between External and Internal Audit.	
4. AUDIT PROGRAMME	A
1. Audit Files	
2. Working Papers.	
3. Audit Procedures	
4. Designing tests.	
5. Interim and Final Audits.	
6. Evaluation and Reliance on Internal Control Systems.	
7. Material and Key items.	
5. AUDIT PROCEDURES	A
Balance Sheet Audit: Sampling Techniques: In Depth Tests: Verification and Stock - Taking Techniques and Procedures: Other forms of Audit tests.	
6. AUDIT REPORT	A
1. Types of Report	
2. Statutory Responsibilities.	
3. True and Fair	
4. Qualifications.	
7. EFFECTS OF IAS/IFRS ON FINANCIAL STATEMENTS	B
8. INTERNATIONAL AUDITING STANDARDS	
Per area described above	