



DETAILED SYLLABUS

Auditing and Control

1. Information about the study program

1.1 University	Babeș-Bolyai University
1.2 Faculty	Faculty of Economics and Business Administration
1.3 Department	Accounting and Audit
1.4 Field of study	Accounting
1.5 Program level (bachelor or master)	Master
1.6 Study program / Qualification	Accounting and Organizations

2. Information about the subject

2.1 Subject title	EME0626 Auditing and Control						
2.2 Course activities professor	Oprean Victor-Bogdan (econ.ubbcluj.ro+victor.oprean@googlemail.com)						
2.3 Seminar activities professor	Beatrice Cuzdriorean-Vladu						
2.4 Year of study	II	2.5 Semester	4	2.6 Type of assessment	SE	2.7 Subject regime	EL

3. Total estimated time (teaching hours per semester)

3.1 Number of hours per week	3	out of which: 3.2 course	2	3.3 seminar/laboratory	1
3.4 Total number of hours in the curriculum	36	out of which: 3.5 course	24	3.6 seminar/laboratory	12
Time distribution					Hours
Study based on textbook, course support, references and notes					45
Additional documentation in the library, through specialized databases and field activities					20
Preparing seminars/laboratories, essays, portfolios and reports					40
Tutoring					5
Assessment (examinations)					4
Others activities					
3.7 Total hours for individual study	114				
3.8 Total hours per semester	150				
3.9 Number of credits	6				

4. Preconditions (if necessary)

4.1 Curriculum	<ul style="list-style-type: none"> Enrolment in this course is not subjected to completion of other disciplines. However, trying to understand the information being transmitted is inextricably linked to successful completion of subjects such as Basic Accounting and Financial Accounting. It is recommended to be previously undertaken the learning and understanding of fundamental concepts contained in the courses of Enterprises Finance, Public Finance and Basic Business Economics.
4.2 Skills	<ul style="list-style-type: none"> The understanding of the contents and specific principles and approaches of accounting in general and financial in particular. Knowledge and application (at a basic level) of operational recording techniques and procedures specific to financial accounting.

5. Conditions (if necessary)

5.1. For course development	<ul style="list-style-type: none"> • Videoprojector • Attendance at courses/lectures is optional. Course content is based on information materials available to students electronically through the faculty site and/or on paper (upon request), and on references communicated by the teacher accessible via physical or virtual libraries provided by the University. Physical presence in courses require active participation of students in discussions on subjects proposed by the teacher, and the content of these discussions and resulting conclusions are additional matters of examination. • During courses, students are expected to respond to teachers' requests to participate in discussions or to answer questions about the discipline studied. • It is allowed and even advisable (if possible) the possession and use during the classes, at teacher's indication, of mobile phones, portable computers, tablets and other devices with Internet connectivity.
5.2. For seminar / laboratory development	<ul style="list-style-type: none"> • Student's access to databases with journals, information and library access • Attendance at seminars is under University regulations. This implicitly assumes the completion of seminar activities/works/studies etc. outside class hours, when they were started and not yet finished during the previous seminar, and the additional homework given. Their verification will be carried out randomly or exhaustive, influencing the final grade. • Moving between groups in the schedule is done only on written application handed over to the teacher at the first scheduled meeting. The applications will be solved and communicated by the second week and will be made with priority for students enrolled in several specializations of faculty, and secondary depending on the number of available seats (the size of the rooms assigned). • During seminars students are expected to answer questions about the matters being studied, and solve the practical applications proposed by the teacher. students must submit their homework from previous classes, should it is requested by the teacher. • Students will appoint a manager/representative and a deputy to maintain and organize the contact with the teacher to address specific issues that may arise during the course works (e.g. operational transmission of electronic or printed materials, handing the homework to the teacher at his request, information streaming etc.). • At each seminar (every week) students will bring all the materials, home works, seminars, papers etc. of every previous periods (weeks), as the activities will occasionally involve successive iterations, links of current activities with previous findings.

6. Acquired specific competences

Professional competences	<ul style="list-style-type: none"> • Understand the auditing process, meaning and reasons. • Assist the audit process. • Ability to determine the appropriate evidence to gather and how to evaluate the evidence obtained. • Integrate the most important internationally recognized concepts of auditing in a logical manner. • Understand audit decision making and evidence accumulation.
Transversal competences	<ul style="list-style-type: none"> • Public data mining, sorting and analyzing; design criteria and/or assessing relevance and quality. • Synthesizing information and understanding the role of technology and modern tools used in information processing and databases management specific to the economic field in general, business in particular. • Communication, teamwork and assuming leadership. • Knowledge, explaining and interpreting ideas, processes, phenomena, states and trends specific to economic activities, and develop reasoned value judgments..

7. Subject objectives (arising from the acquired specific competences)

7.1 Subject's general objective	To provide up-to-date coverage of globally recognized concepts with practical examples of the implementation of those concepts in real-world setting. Introduce students to the financial statement auditing, basic notions relative to the purpose, scope and procedures leading to the audit report. Learning practical skills to determine materiality and audit risk.
7.2 Specific objectives	Placing audit around the other assurance services; provide basic concepts of the auditing profession; give an insight on the objectives, analytical procedures, materiality, control risk (for the audit process); deliver the understanding of the tests of controls and substantive testing, and how to audit specific accounts; learn why it is done and how to document and prepare an audit report.

8. Contents

8.1 Course	Teaching methods	Observations
The profession of auditing: framing the assurance services market, delineate the audit reports, legal liabilities for auditors, ethics and the audit profession.	Teaching is interactive, using visual aids (via projector). The topics are discussed with relation to each module objectives, with emphasis on the keywords. Examples are used and solved in a collaborative environment (in which the teacher assumes the role of mediator), on alternative possibilities in opened situations. Expressing ideas and digressions on alternative topics is encouraged, to correlate various theoretical aspects of analysis towards synthesis.	The theoretical study of different content elements is recommended to be done linearly for the first part which includes strict reference to the annual financial statements (where the focus will be on basic elements like structure, accuracy of reporting data, quality, limits and flaws of the current reporting environment etc.). For the second part is encouraged the nonlinear, correlated study, to observe aspects of the various common fundamental elements in terms of interpreting data and critical examination meant to provide information, and to delineate factors which distinguish different approaches.
The auditing process: objectives and responsibilities, audit evidence, the audit planning process, materiality and audit risk, considering internal control and the risk of fraud, implication of IT for the audit process, the development of an overall audit plan, and audit program.		
The internal control: internal control systems, the use of internal control systems, tests of control, evaluation of internal control components, communication on internal control.		
Application of the audit process to the sales and collection cycle: test of controls and substantive tests of transactions, audit sampling for tests of controls and substantive tests of transactions, completing the tests in the sales and collection cycle, audit sampling for tests of details of balances.		
Application of the audit process to other cycles: acquisitions and payment, inventory and warehousing, payroll and personnel, capital acquisition and prepayment, cash balances.		
Completing the audit: additional tests needed for presentation and disclosure, reviews for contingent liabilities, commitments, and for subsequent events, accumulation of final evidence, results' evaluation and the audit report issuing, communications with the audit committee and management, subsequent discovery of facts.		
Internal audit, professional responsibilities and other services: the internal financial audit, operational audit, review and compilation services, review of interim financial information for public companies, attestation engagements, prospective financial statements, agreed-upon procedures, other limited assurance engagements.		
References:		
1. Arens, A.A., Elder, R.J. and Beasley, M.S., <i>Auditing and Assurance Services: An Integrated Approach</i> , 13th edition, Prentice Hall, 2009, ISBN 10: 0136084737, ISBN 13: 978-0136084730		
2. Arens, A.A., Loebbecke, J. K., Elder, R. J. and Beasley, M. S., <i>Auditing, an integrated approach</i> , 8th edition, Prentice Hall, 2000		
8.2 Seminar/laboratory	Teaching methods	Observations
Nature of auditing, distinction between auditing and accounting, economic demand for auditing, assurance services, types of audits, types of auditors.	Applications, case studies and problem solving are provided by the teacher	The practical issues, applications, case studies and the concepts
Standard unqualified audit report, report on internal control over financial reporting, departures from an unqualified report, materiality, discussion of conditions requiring a departure, auditor's decision process for audit reports, international accounting and auditing standards.		

Distinguishing business failure, audit failure and audit risk, legal concepts affecting liability, liability to clients, liability to third parties and criminal liability, the profession's response to legal liability.	according to the objectives pursued, but students' input is encouraged opening the possibility for essays and/or short papers (extra-credit up to maximum 10% of the total).	discussed, referred to or needed to better understanding the lectures are resumed in a more practical, interactive and student-oriented manner at seminars.
What are ethics, ethical dilemmas, special need for ethical conduct in professions, independence, rule of conduct and interpretations, enforcement.		
Management's and auditor's responsibilities, financial statement cycles, setting audit objectives, management assertions; transaction, balance, presentation and disclosure-related audit objectives; how audit objectives are met.		
Nature of evidence, audit evidence decisions, persuasiveness of evidence, types of audit evidence, and audit documentation.		
Planning, accept client and perform initial audit planning, understand the client's business and industry, assess client business risk, perform analytical procedures, the five types of analytical procedures, common financial ratios.		
Materiality, set preliminary judgment about materiality and allocation to segments, estimation of the misstatement and comparison with preliminary judgment, audit risk and risk model components, assessing acceptable audit and inherent risk, relationship of risks to evidence and factors influencing risks.		
Internal control objectives, management and auditor responsibilities for internal control, COSO components of internal control, assess control risk, tests of controls, decide planned detection risk and design substantive tests.		
Types and conditions for fraud, assessing the risk for fraud, corporate governance oversight, responding to the risk of fraud, specific fraud risk areas, responsibilities.		
Internal controls specific to IT, assessing risk of IT, how IT improves Internal Control.		
Types of tests, selecting which types of tests to perform, evidence mix, design the audit program.		
Application of the audit process to the business' cycles: methodology, tests, internal controls, sampling, designing/developing tests, procedures		
References:		
cases, problems, discussions provided by the teacher or from :		
1. Arens, A.A., Elder, R.J. and Beasley, M.S., <i>Auditing and Assurance Services: An Integrated Approach</i> , 13th edition, Prentice Hall, 2009, ISBN 10: 0136084737, ISBN 13: 978-0136084730		
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9. Corroboration / validation of the subject's content in relation to the expectations coming from representatives of the epistemic community, of the professional associations and of the representative employers in the program's field.

To establish the formative content for this subject, the standards of education in the international accounting profession were considered. Altogether, we follow an approach congruent with the educational contents and procedures of professional associations like the Association of Chartered Certified Accountants (ACCA) and also aim to integrate the most of the local national provisions.

10. Assessment (examination)

Type of activity	10.1 Assessment criteria	10.2 Assessment methods	10.3 Weight in the final grade
10.4 Course	Grading from 1 to 10.	Written examination, one closed book test on the date listed (by the end of the semester) in the exam schedule.	70%
10.5 Seminar/laboratory	Grading from 1 to 10. Class participation is based on the contribution of each student to the class. This requires meaningful contributions to discussions and consistent attendance.	Homework and projects are proposed by the teacher. A maximum 20% extra points can be obtained by engaging in optional assignments. Interventions in the proposed applications, answer questions, etc. development of own initiative.	30%
10.6 Minimum performance standard			

Presence is mandatory at the final exam and score at least 5 of the maximum of 10 points, with activity noted during the semester. A minimum grade of five is required for each subject in the final exam regardless of the interim results.

- It is necessary to obtain a minimum grade of 5 (five) in order to pass this subject;
- The grades being granted are between 1 (one) and 10 (ten);
- Students must approach each element (question, problem) within the exam sheet for at least 50% of the content.
- The exam is written and takes approximately 120 minutes;