

Teaching guide

IDENTIFICATION DETAILS

Degree:	Business Administration and Management
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Field of Knowledge:	Social and Legal Science
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Faculty/School:	Legal and Business Science
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Course:	AUDITING II
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Type:	Optional
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ECTS credits:	3
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Year:	4
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Code:	7150
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Teaching period:	Seventh semester
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Area:	Accountancy
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Module:	Functional administration of business areas
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Teaching type:	Classroom-based
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Language:	English
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Total number of student study hours:	75
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Teaching staff	E-mail
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SUBJECT DESCRIPTION

The course shows the concrete practices of audit activity to be performed on each balance sheet and income statement of the company and the interrelationship between them, using global estimates, statistical sampling and specific tests, based on the guidelines established in the technical auditing standards in Spain and with its analogy with International Standards on Auditing.

GOAL

At the end of the course, the student will have learned what the professional activity of the auditor consists of, the regulatory framework of access, exercise and supervision of the profession in Spain and its agreement with international standards. It is expected that the student will be able to identify the basic concepts of the design of the tests for the execution of the revision work, depending on the type and scope of the same, the assessment of the results obtained and, above all, identification and localization. of the normative sources of application to which to go in the design and execution of their work. You will know about the social function that this activity performs and, consequently, about its legal and moral responsibility and about the ethical requirements that its exercise requires, as well as some of the most frequent risks and threats to which it must face. You will also have learned the techniques and procedures for reviewing and verifying operations and balances most commonly used in the profession. Will be able to prepare a planning of an audit work from the estimation of the significant parameters to the issuance of the report and archive of the evidence documentation.

The specific aims of the subject are:

Apply the knowledge acquired in other previous subjects such as accounting, audit I, etc. in the planning, execution and interpretation of the results of his work as auditor

Access and manage with ease the normative sources of exercise and regulation of the audit activity of accounts.

Understand the meaning and social responsibility of the profession, assimilating the ethical and moral requirements that, the integrity and independence that are required.

Identify the scope of the audit assignments and its impact on the design of the audit tests and their scope

Do a complete planning of an audit work of Annual Accounts, identifying the risk areas, the materiality levels, the interpretation of the evidences obtained and their reflection in the audit report

Identify the recipients of their work and the stakeholders affected by it, the repercussions on them of their work and conclusions, the responsibilities with them and the appropriate forms and channels of communication.

Be able to enter the labor world in professional audit firms

Understand and interpret the audit reports of other auditor

PRIOR KNOWLEDGE

The student must have previous knowledge of Financial Accounting that allows him/her to identify in the Financial Statements the nature of the balances and transactions registered there. They must also know the accounting principles and valuation rules established in the General Accounting Plan. They must have passed the Audit I course so that they have the knowledge required there that allows to continue advancing and completing the training in this discipline.

COURSE SYLLABUS

TOPIC 1. FINANCIAL STATEMENTS PLAN.

1.AUDIT WORK PHASES.

2.IMPORTANCE OF PLANNING.

3.GLOBAL AUDIT STRATEGY.

4.GLOBAL AUDIT PLAN".

5.GENERAL PLAN FOR AUDITING AND DETAILED PLAN FOR AUDITING.

TOPIC 2. TECHNICAL STANDARDS ON "FAIR VALUE"

1.INTRODUCTION.

2.FAIR VALUE IN THE ACCOUNTANCY REGULATION CONTEXT..

3.FAIR VALUE AUDIT.

4.AUDIT REPORT.

TOPIC 3. THIRD PARTY CONFIRMATION.

1.INTRODUCTION.

2.PROCEDURE DESIGN.

3.SAMPLE SELECTION.

4.CONFIRMATION REQUIREMENT.

5.REQUIREMENTS NOT ANSWERED.

6.ANSWERS MANAGEMENT.

7.LAW SUIT AND CLAIMS.

8.REPRESENTATION LETTER FROM MANAGEMENT.

TOPIC 4. AUDIT PROCEDURE (II)

1. BASIC CONCEPTS.
2. GOALS, PROCEDURES AND CONSIDERATIONS.
 - 2.1. AUDIT ON COMMERCIAL PAPER
 - 2.2. AUDIT ON TREASURY.
 - 2.3. AUDIT ON OTHER WORKING CAPITAL ACCOUNTS.
 - 2.4. AUDIT ON COMMERCIAL CREDITORS AND ACCOUNT PAYABLES.
 - 2.5. AUDIT ON FINANCIAL INVESTMENTS.
 - 2.6. ACCRUALS, COMMITMENTS AND CONTINGENCIES.

TOPIC 5. AUDIT REPORT.

1. INTRODUCTION.
2. LEGAL FRAMEWORK.
3. CONCEPT AND CONTENT.
4. AUDIT OPINION TYPES..
5. LIMITATION ON THE SCOPE.
6. BREACH OF ACCOUNTING PRINCIPLES. ACCOUNTING PRINCIPLES AND CRITERIA APPLIED.
7. UNCERTAINTIES.
8. MANAGEMENT REPORT PARAGRAPH.
9. EXAMPLE OF REPORTS.

TOPIC 6. MISSTATEMENTS, CRITERIA CHANGES, ESTIMATIONS AND SUBSEQUENT ACTS.

1. CONCEPTS AND FEATURES.
2. VALUATION NORMS AND VALUATION CORRECTIONS..
3. SPECIAL CONSIDERATIONS FOR THE AUDIT REPORT AND DATE.

TOPIC 7. PAPERWORKS.

1. CONCEPT, GOAL AND TYPES.
2. STRUCTURE.
3. PAPERWORKS AND ISA (INTERNACIONAL STANDARDS OF AUDIT) COMPLIANCE.
4. ORGANISATION AND ARCHIVE.
5. INDICES AND REFERENCES.
6. OWNERSHIP, CUSTODY AND KEEPING.
7. EXAMPLE OF PAPERWORKS.

EDUCATION ACTIVITIES

The methodology links with Audit I course, in order to further develop the knowledge acquired, giving a deductive learning approach. According to this, in addition to classes, teamwork is encouraged, in the image and likeness of an auditor in the world of performing an audit process, requiring continuous work record in each case. It has established a teaching methodology based on actual experience in auditing, incorporating the most appropriate methods to match course objectives.

Students must attend classes actively.

To do this, the theoretical basis and rationales are explained in order to develop case studies. Additionally students will present practical exercises for both teacher and students, to check the degree of assimilation of the course.

CLASSROOM ACTIVITIES

Lectures: exposure of theoretical vision of the issues affecting the key concepts of the course. The student should be previously involved in the preparation of this theoretical issues, indicating those most suitable for further preparation with deeper resources.

Discussion of cases: Students, with the mediation of the teacher, have to analyze, discuss and face decisions on the situation in the case study.

Teamwork: Presenting practical tasks made in teams, to be presented orally to the whole class.

Problem-based learning: Presenting the problem, identify learning needs, seek the necessary information and, finally, back to the problem looking for a solution.

Personalized tutoring: Individual attention to students in order to review and discuss the issues presented in class and to clarify any doubts that have arisen. It also guides the student on all elements of the learning process.

Students will have the option of asking for tutoring classes sending an e-mail to the teacher who will schedule a room and a time-slot for it.

NON-CLASSROOM ACTIVITIES

Theoretical Study: Study of the theoretical content of the program, so that students' activities will focus on research and location.

Case Study: Solving practical cases, so that the student activity will focus on the analysis, processing and return of information. These practical cases will be randomly selected by the teacher.

Case study solutions will be posted in the virtual campus for student verification.

Preparation of cases for class discussion: Students discuss the situations in real cases applying the knowledge obtained in the course and focusing on decision-making.

Teamwork: Students will meet with members of their teams to design and develop different tasks to be presented in class.

Virtual Networking: Virtual space designed by the teacher where students can work together with colleagues,

participate in forums organized by the teacher and have access to virtual tutoring.

VIRTUAL CAMPUS will be the basic virtual networking tool used.

(<http://moodleufv.ufv.es/moodle/login/index.php>).

The features that will be activated on the website are as follows:

Calendar: student will be informed of the content of the classes that will be taught, to prepare the exercises in advance. Exercise deadlines are constantly being updated.

Email: main means of communication between teacher and students or even between students themselves.

Teaching guide: Students can consult the schedule or evaluation criteria.

Activities: set of exercises that students must do throughout the semester.

Material: set of useful content for students in class preparation, work and business cases. For example, the summary of the teacher presentations from the class, content of the work done during the course and everything that promotes the connection between program content and the real business world: press clippings, advertisements, business cases

DISTRIBUTION OF WORK TIME

CLASSROOM-BASED ACTIVITY	INDEPENDENT STUDY/OUT-OF-CLASSROOM ACTIVITY
30 hours	45 hours
Clases expositivas 16h Trabajo en Equipo 4h Discusión de casos 4h Pruebas intermedias 2h Examen final 2h Tutorías 2h	Estudio personal 20h Estudio/resolución de casos 12h Trabajo en equipo 6h Trabajo en red 7h

SKILLS

Basic Skills

Students must have demonstrated knowledge and understanding in an area of study that is founded on general secondary education. Moreover, the area of study is typically at a level that includes certain aspects implying knowledge at the forefront of its field of study, albeit supported by advanced textbooks

Students must be able to apply their knowledge to their work or vocation in a professional manner and possess skills that can typically be demonstrated by coming up with and sustaining arguments and solving problems within their field of study

Students must have the ability to gather and interpret relevant data (usually within their field of study) in order to make judgments that include reflections on pertinent social, scientific or ethical issues

Students must be able to convey information, ideas, problems and solutions to both an expert and non-expert audience

Students must have developed the learning skills needed to undertake further study with a high degree of independence

General Skills

Ability to carry out synthetic and analytical thought.

To have developed a capacity for leadership.

To be able to work and make decisions in all manner of situations.

To possess a strong work ethic.

Specific skills

To be able to design and manage projects.

To adopt attitudes of leadership and social responsibility on both a personal and professional level.

To be able to prepare and understand financial statements as a tool for subsequent decision-making, whilst having the ability to verify their veracity.

To nurture an attitude of intellectual curiosity and a quest for the truth in all areas of life.

LEARNING RESULTS

Students use the knowledge acquired from prior subjects such as accountancy, audit I, laws, etc...in the planning, execution of interpretation of the results of their work.

Students access and are able to easily use the regulatory framework of the audit profession

Students know the technique but also the importance of their work, the commitment and responsibility and independence in the audit activity.

Students must be able to identify the recipients of the auditing information and ways to communicate with them in a professional context.

Students are ready to join an audit firm and to run works knowing the aim and scope of these works required

LEARNING APPRAISAL SYSTEM

It is established a continuous assessment learning system for students who have achieved a certain level of assistance based on the following parameters: - assistance. - Class participation - team work - Discussion of cases. In any case, you will always have an option for a final exam.

A) CONTINUOUS EVALUATION SYSTEM:

The ongoing evaluation system will apply to students who attend at least 80% of classes. Thus 20% remains free availability of assistance for students, so will not be considered any justification for any absence or any test repeated if the student does not attend the day appointed for the purpose.

This continuous evaluation will take into account the following parameters: active and intelligent participation in class and discussion of cases, resolution of case studies, team work and final exam. The subject is evaluated from 0 to 10 points, which are accumulated throughout the course.

For a student to pass the subject the marks accumulated in each of the different parameters will be evaluated at least 5 points.

Continuous assessment will also apply for the extraordinary session according to the academic calendar.

The percentage weighting of the various parameters in the final grade will be applied as follows:

PERCENTAGE OF FINAL MARK:

- ATTENDANCE AND ACTIVE AND INTELLIGENT PARTICIPATION IN THE DISCUSSION IN CLASS 10%

- TEAMWORK 15%

- INTERMEDIATE EXAMS 20%

- FINAL EXAM 55%

B) STUDENTS WITH LESS THAN 80% ATTENDANCE:

The mark of students who are under 80% attendance will be solely based on the final exam according to the official announcements and dates published by the University. In this case, the final exam is worth 55% of the final mark.

This evaluation system is maintained for the official extraordinary announcement.

C) STUDENTS WHO ARE EXEMPTED FROM ATTENDING LECTURES (*) BUT THAT PERFORM THE TASK REQUIRED:

A student can be exempted from attending one or more classes due to work, incompatibility of schedules, illness or other reasons considered by the Degree Director after requesting it to the Degree Coordination department and providing the documentation required to that effect. For students who are exempted from attending class the weight of the final evaluation is as follows:

PERCENTAGE OF FINAL MARK:

- CASE STUDY AND TEAMWORK 15%

- FINAL EXAM 85% (To calculate the average, the score on this final test must be at least 5 out of 10).

STUDENTS WHO ARE REPEATING THE SUBJECT.

Students who are repeating the class will be entitled to choose either evaluation system A or C, prior notification to the teacher at the beginning of the semester. In this case, it is not necessary to ask to be exempted from attending class.

STUDENTS ON EXCHANGE PROGRAM.

Students who are in an exchange program will be subject to evaluation system ("students who are exempted from attending lectures" and "students who are repeating the subject". It is their responsibility to know how the system works.

BIBLIOGRAPHY AND OTHER RESOURCES

Basic

Larriba Díaz-Zorita, Alejandro. (2.015) "AUDITORÍA DE CUENTAS ANUALES (1) Y (2)" 4ª Edición. Ediciones CEF

Instituto de Contabilidad y Auditoría de Cuentas (ICAC). Normativa y consultas. Acceso webb: www.icac.meh.es/

BOLETIN OFICIAL DEL ESTADO. Acceso a legislación a través de webb: <https://www.boe.es/legislacion/>

Additional

Sánchez Fernández de Valderrama, J. Luís y Alvarado Riquelme, María. (2.016). "TEORÍA Y PRÁCTICA DE LA AUDITORÍA I y II". Editorial PIRÁMIDE