

	<u>Subject title:</u> <b>CONTROL AND AUDIT</b>			
<u>Subject code:</u>	<u>Subject Status:</u>	<u>Semester:</u>	<u>Credit value:</u>	<u>Teaching load:</u>
T03	Elective	VI	6	3L+2T

<u>Study programme:</u> Academic Undergraduate Studies: Financial Management
<u>Responsible Staff:</u> Branislav Radulović, PhD
<u>Pre-requisite:</u> Nil
<u>Mode of study</u> Lectures, tutorials, seminar papers, homework
<u>Assessment:</u> Written: 2 mid-term tests = 40 points Oral: Final exam = 50 points Attendance, Seminar paper, Homework = 10 points
<u>Objectives:</u> Analysis and understanding of control and auditing.

### **SYLLABUS:**

- Concept, definition, function and role of auditing. General principles of auditing  
Development of auditing and auditing organizations
- Objectives, procedures and concepts of auditing. Types of auditing, difference between internal and external auditor. Independence of auditors. Application of MRS, MSR and the Code of ethics.
- Professional ethics of auditing. The Code of AICPA and IFAC-a.
- Materiality, risks in auditing, engagement risk, business risk, financial risk, coordination risk.
- Evidence of auditing, analytical procedures, management statements, auditing tests, making use of the work of others.
- Auditing procedure: meeting the client, plan and programme of auditing, process, opinion creation and work papers.
- Assessment of reliability and internal control system, auditing understanding of SIC and risk control assessment.
- Influence of information and telecommunication technologies on the auditing process, characteristics of computer IS, specific features of performing auditing in ITT, internal control ITT, auditing software package.
- Application of a sample in auditing: definition of population, selection methods, sampling for control tests.

- Auditing of financial reporting positions: auditing of fixed assets, long-term financial placements, stock, liabilities, suppliers, capital, long-term obligations of employees and salaries.
- Final auditing: presence at inventory, confirmation, establishment of subsequent events, income and expenditure auditing, profit and dividend auditing, cash flows auditing, auditing accomplishment.
- Supply cycle.
- Internal auditing: basic characteristics, field of activity, approaches, organization and standards.
- Final auditing, a management letter, auditing statements, opinions of auditors.
- Auditing of public expenditure: field of work, organization of DRI, INTOSAL standards, the Code of ethics, the Lima declaration, postulates, premises and standards of public auditing.

## **READING LIST AND REFERENCES:**

Rick Hayes and Arnold Schilder with Roger Dasen and Philip Wallage, *Principles of Auditing: An international perspective*, McGraw Hill Publishing Company.

D.R. Carmichael, John J. Willingham: *Auditing Concepts and Methods, A Guide to Current Auditing Theory and Practice*, Fifth Edition, McGraw-Hill, Inc., 1989.

K.H. Spencer Pickett: *Audit Planning-A Risk Based Approach*, John Wiley & Sons, Inc., Hoboken, NJ. 2011.