**BUST 413 PRINCIPLES OF AUDITING** *(Facilitator: John K. Karuitha.*

**Course Description**

The general definition of an *audit* is an evaluation of a person, organization, system, process, enterprise, project or product. This course will cover advanced topics in auditing. It is presumed that the student is already well versed with key auditing terms and concepts- from the definition of auditing to internal controls for organizations.

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| **Part 1 – Introduction to auditing** | | |
| 1 | 1 | Nature and purpose of an audit. |  |
|  | 2 | Historical developments in auditing |  |
| **Part 2 – Audit process and evidence** | | |
| 2 | 3 | Overview of audit process |  |
|  | 4 | Gathering audit evidence, Derivation of valid conclusion based on audit evidence. |  |
| 1. **Part 3 – General audit environment** | | |
| 3 | 5 | General audit environment |  |
|  | 6 | Role of generally accepted auditing principles |  |
|  | 7 | Auditing planning and control |  |
|  | 8 | Internal audit |  |
| **Part 4 – Audit tests and sampling techniques** | | |
| 4 | 7 | Substantive audit tests. |  |
|  | 8 | Sampling techniques |  |
| **Part 5- Internal controls** | | |  |
|  | 9 | Internal control procedures with reference to organizational structure, legal and professional framework. |  |
|  |  | Auditing environment |  |

**Evaluation**

The course shall be assessed by use of two CATs. One of the CATS will be takeaway written assignments Details on the assignments will be discussed in class. The other shall be a sit-in CAT to be administered as the semester progresses.

**Notes and case studies**

The instructor will avail a detailed hard copy of the notes for every topic covered. Students shall make copies for their own use. Students are however, encouraged to take short notes in their note books during classroom discussion sessions to facilitate understanding of the content.

The instructor shall also avail case studies in advance when needed. Students should make a copy of the case study and carry the copy to class for discussion.

**Reference books**

Whittington, O. Ray; Pany, Kurt (2007); Principles of Auditing and Other Assurance Services, Fifteenth Edition, McGraw Hill- Irwin, Boston.

Pickett Spencer (2005), the Essential Handbook of Internal Auditing, Wiley & Sons, London.