**Auditing and Accounting Control**

## Prof. Riccardo Bauer

***COURSE AIMS AND INTENDED LEARNING OUTCOMES***

The course aimstodevelop students’ knowledge of auditing tools and techniques as well as statutory auditing fundamentals in Italy, with emphasis on *financial audit*.

Traditional lectures will be supplemented by analysis of financial statements of listed companies to develop students' ability to analyse and assess risks and main audit procedures.

*At the end of the course, students will be able to:*

1. show awareness of the main rules concerning statutory auditing in Italy

2. recognise the effects of the audit risk assessment and the audit procedures to reduce them;

3. show a capacity to interpret the contents of the audit reports on financial statements and on consolidated financial statements of Public Interest Entities (EIP) and others;

4. use a technical language that enables them to communicate acquired knowledge clearly and effectively.

***COURSE CONTENT***

The programme is divided into four main areas:

Area 1 - *State-of-the-art of* *auditing**in Italy today*

State of present national and international legislation, function and purpose of statutory auditing, qualified bodies, auditor independence and their civil and criminal liabilities. The course also describes types of assignments, auditing standards, services rendered and excluded and it examines auditing task assignment procedures.

Area 2- *Typical aspects of an audit*

Various audit evidences.; key aspects of auditing planning; necessary understanding of company business; assessment of significant error risks and effect on auditing; analysis of the internal control system (ERM) and main auditing procedures. Operational examples of the above are provided.

Area 3 - *Audit of some business cycles:*

Main audit assertions and procedures applied to some key business cycles (revenues and customers, purchases and suppliers, intangible, tangible and financial assets), analysis of error significance. This will be exemplified through a case study of financial statements of an EIP national company.

area 4 – *Auditing reports*

Analysis of the cases of reports on the annual and consolidated financial statements of listed companies, of consistency judgments and of additional reports following art. 11 Reg 537.

Investigation of cases of lack of business continuity and their effects on legal control, and overview of auditing in case of fraud and illicit facts.

***READING LIST***

Textbooks used

R. Bauer, *La revisione legale oggi in Italia,* Maggioli editore, 2022, X edition.

Primary reference standards

R. Bauer, *Codice Civile,* Novecento Media, 2023 (in particular from art. 2397 to art. 2435 bis, and the entire section concerning statutory auditing and professions).

ISA ITALIA auditing standards are available on the website of the Ministry of Finance accessible from Blackboard platform.

Considering the constant development of the subject, any legislative amendment will need to be verified by checking the relevant Blackboard platform section.

***TEACHING METHOD***

The course is taught in class or via distance learning through the Blackboard Ultra platform based on the Faculty decision and including through frontal lectures, analysis of case studies and auditing reports on national listed companies.

The course includes the analysis of a financial statements of a listed company during the COVID-19 period. Attendance is highly recommended due to the changing nature of the subject.

***ASSESSMENT METHOD AND CRITERIA***

The exam will be oral for both attending and non-attending students.

The exam evaluation is out of 30 and take into consideration the following criteria:

* students’ knowledge of the main rules regarding auditing in Italy
* assessment of the effects of the audit risk and key audit procedures to reduce them
* development of students’ ability to interpret the content of audit reports on financial statements of Public Interest Entities (EIP) and not
* usage of technical language to communicate acquired knowledge in a clear and efficient way
* ability to articulate the discussion of cases of statutory audit of the financial statements based on a compete and correct description of the questions asked.

The oral test includes up to five open ended questions or practical auditing cases. It lasts 15 minutes. Each complete, correct and well explained question will be assigned 6 points each for a total of 30 points.

The lecturer may grant honours if applicable.

Due to the nature of the subject, there will be no interim tests.

For differentiated ECTS students must contact the lecturer to discuss further integrations.

***NOTES AND PREREQUISITES***

A background knowledge of accounting and national and international accounting standards is a necessary prerequisite for understanding the course.

Further information can be found on the lecturer's webpage at http://docenti.unicatt.it/web/searchByName.do?language=ENG, or on the Faculty notice board.