# Corporate Auditing (Assurance)

## Prof. Marco Santi; Prof. Luisa Polignano

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

The specific aim of the course is to provide students with the most up-to-date knowledge and skills of the legal and professional discipline required by the EU, Italian, regulatory and professional practice applicable to auditors' activities and to the wider assurance activity*,* developing at the same time students' aptitude for examining the principles and professional practices of reference with appropriate language, conceptual autonomy and a critical spirit. The theoretical approach, supplemented by a discussion of case studies and expert testimonies, aims to provide students with a complete understanding of the subject, including its practical implications.

To effectively follow the course, it is useful to possess Auditing and Account Control (Bachelor's Degree) knowledge.

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

a) obtain (i) up-to-date knowledge of the reference regulations applicable to auditing activities in Italy, including, among other aspects, the discipline of independence as the foundation of the statutory auditor's work; (ii) an understanding of the reasons underlying current legislation and its foreseeable evolution and impact on statutory auditing;

b) understand the practical application of auditing principles in the most specialised and critical circumstances;

c) explore in depth the ways to rate an audit, as well as the content of different types of reports issued at the end of an audit carried out according to the professional standards of reference for, in particular, Public Interest Entities;

d) frame the other activities that the rules, regulations and professional practice entrust to the auditor;

f) enter the legal auditing profession with the necessary basics for independently exploring the specific and detailed topics they encounter.

***COURSE CONTENT***

The course is ideally divided into two modules.

During the **first module**, dedicated to **Statutory Audit**, the following topics will be explored:

1. the rules contained in LD 39/10, as amended with the implementation of Dir. 2014/56/EU, and in the implementing decrees delegated to the Supervisory Authorities; the new legislation on statutory audit applicable to Public Interest Entities according to European Regulation no. 537/14;

2. the procedures to be implemented with respect to safeguarding independence (Italian Code of Ethics and Independence) and quality control (ISA Italia ISQC1 and 220), resulting from the implementation of Dir. 2014/56/EU and European Regulation no. 537/14;

3. the rules of conduct regarding compliance with laws and regulations (ISA Italia 250) and relations with those charged with *governance*;

4. the technical auditing specifications to be adopted with respect to particular situations or transactions, including: related party transactions (ISA Italia 550), illegal acts (ISA Italia 240), use of other professionals to carry out auditing (ISA Italia 600, 610 and 620), etc.;

5. the technical standards for the preparation of the Auditing Report in Italy (ISA Italia 700, 701, 710, 720, ISA Italia 700B and 720B) in accordance with EU standards (EU Directive 56/2014 and EU Regulation 537/2014) and international ISA auditing principles;

During the **second module**, dedicated to the subject of **Assurance**, the following topics will be explored:

1. International Assurance standards covering the auditor's activities (*Framework, ISA, ISRE, ISAE*);

2. Insights into the standards of Assurance issued by the IAASB. In particular, an examination of the following international standards: ISAE 3000, ISAE 3400, ISAE 3402, ISAE 3410, ISAE 3420;

3. Practical applications of the principles of Assurance within the national context:

– reports or opinions required by the Italian Civil Code eg. arts. 2501 bis/quinquies/sexies and 2506 ter (mergers and divisions), art. 2433 bis (dividend payments), art. 2437 ter (member withdrawal), and art. 2441 comma 4 (capital increase excluding the right of option);

* reports or opinions required by Bankruptcy Law eg. art. 67 letter d) (recovery plan), art. 161 (preventive agreement), art. 182 bis (restructuring agreements);
* reports or opinions required in the case of listed companies (eg. pro-forma statements or forward-looking statements) or to-be-quoted companies (eg. business plan statements, MCS and pro-forma data).

4. Auditing commissions other than the statutory audits that may be entrusted to the auditor: limited audit and execution of specific procedures at the request of a client.

The course is accompanied by a cycle of ten practice lessons - open to all enrolled students - during which the basic concepts and notions of the subject are recalled, especially for those who have not included Auditing course in the Bachelor's Degree study plan.

***READING LIST***

*Principi di Revisione,* Ed. Giuffrè.

“La Revisione Legale – Tecniche e procedure” – Riccardo Bauer IX edition.

Support material will be available on Blackboard, at *www.mef.gov.it, www.ifac.org* and *www.consob.it.*

***TEACHING METHOD***

Lectures. Co-teaching also entrusted to Partners of audit firms associated with ASSIREVI; experts’ speeches; case study discussions; use of the Blackboard platform.

***ASSESSMENT METHOD AND CRITERIA***

The final exam aims to assess the student's preparation in relation to the educational objectives. A final oral exam based on three questions and aimed at ascertaining the student's overall knowledge and his/her ability to critically address the topics studied by also relating the different concepts covered in the programme.

The student's mark will be based equally on their topical and linguistic mastery demonstrated when answering on the topics, their critical approach to the subject studied, and their ability to link the different areas and topics covered in the exam questions.

The criteria used to formulate the final mark are as follows:

a broad knowledge of the topics, the ability to critically apply this knowledge, and a command of the specific language and expressions of the subject, will only earn a student an excellent mark, with a possible distinction, if they demonstrate an exemplary degree of preparation;

an inability to analyse and summarise in a fully structured way and/or the use of a not entirely appropriate language, will earn a student a moderate to good mark, with distinctions being made according to the level of preparation demonstrated in the exam;

the presence of learning gaps or the use of inappropriate language, even if not completely incorrect, alongside a merely basic knowledge of the course programme will earn a student a pass;

the emergence of serious learning gaps and evidence of having neglected a part of the programme, the use of incorrect language, or a lack of orientation within the indicated reading list will be negatively assessed.

***NOTES AND PREREQUISITES***

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.