# International Standard on Auditing

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

The course aims to delineate the purposes, principles and techniques of auditing, illustrating the methodological approach, the international practices and the framework of application.

Particularly, the students will explore several important auditing themes such as the audit risk model, concerning the Law and the International Standards on Auditing; the valuation of the materiality of the issues of financial statement and the acceptance level of error.

The auditing is based on evidence, *i.e.* on an document system to support the auditor, such as checklists, questionnaires, work papers, all documents that will be analysed and used during the course.

Finally there is a section concerning the role of the auditor as expertise in M&A operations and due diligence.

***Learning outcomes***

At the end of the course, in terms of the knowledge and understanding, the student will be able to:

* Understand and identify the main audit techniques.
* Understand and identify the main types and characteristics of audit reports (appointed by law) issued by auditors to conclusion of their analysis.

At the end of the course, in terms of the ability to apply the acquired knowledge mentioned above, the student will be able to:

- Choose the most suitable auditing techniques for the client company's case study.

- Choose the most suitable driver of the value of the defined financial statements, on which to base the calculation of significance.

- Define the most suitable professional judgement for the synthesis of the audit work.

With regard to the whole programme, the in-depth study of the models and methods of reference will be elaborated on examples, analyses and discussion of case study, to propose solutions to significant and recurring audit problems. Tale corso si colloca a conclusione di un percorso accademico avanzato e improntato alla prassi professionale e per tale motivo a fine corso il discente godrà di *a*. autonomia di giudizio in tema di apprezzamento della continuità aziendale, *going concern*, e delle tecniche di *risk approach* e *materiality*; *b*. capacità di comunicazione e di redazione del processo di revisione in una relazione di sintesi, e *c*. formulare raccomandazioni al management in tema di adeguati assetti organizzativi, amministrativi e di controllo interno.

***COURSE CONTENT***

* La normativa di riferimento e i principi internazionali di revisione, ISA.
* The audit risk model and the preliminary evaluation of significance. The pricing of the inherent risk.
* The accounting/administrative internal control system. The evaluation of risk of general and specific control of the operating cycles.
* The instrumentation to support the auditing: the means for documenting the work; the representation and analysis of the administrative process; subjective and statistical sampling techniques (overview); the IT audit (overview).
* The conclusion of the audit process: the final pricing of audit risk and the evaluations of significance, adjustments and reclassifications proposed to senior management, the audit report.

READING LIST

AM Fellegara (edited by) *Manuale di Revisione Legale. Logiche e strumenti*, Giappichelli, Turin (last edition)

Recommended readings:

CNDCEC, methodological approach to the statutory audit entrusted to the Board of Statutory Auditors in smaller companies, April 2018.

MA Marinoni, *Revisione Legale dei Conti e Risk Approach,* e.book, Giappichelli, Turin, 2015.

Bauer R., *La revisione legale. Tecniche e procedure*, Maggioli Editore. Collana Professionisti & Imprese, 2015.

M. Livatino-N. Pecchiari-G. Pogliani, *Principi e metodologie di auditing,* Egea, Milan, 2012.

L. Marchi, *Revisione aziendale e sistemi di controllo interno,* Giuffrè, Milan, 2012.

***TEACHING METHOD***

The course will be taught through lectures about theory and company experiences and role playing.

***ASSESSMENT METHOD AND CRITERIA***

The methods provided to ascertain the knowledge and skills acquired are, for the institutional content of the course, open questions and exercises through written examination. During the course, the attending students are called to play for a team assignment on the reliability analysis of one of the main national and international financial statement (e.g. role-playing). The above-mentioned assignment, whose overall score is equal to 25% of the final grade, will be integrated with the final exam, which is written and the test consists of an exercise related to the main topics depth during the course, and a theoretical question. The evaluation is as follows: the exercise gives a maximum score of 25/30 points, while the theoretical query gives a maximum score of 5/30 points. For attending students that they had supported the assignment, the final exam is weighted to a 75%. The duration is 90 minutes.

The exam is designed to assess reasoning skills and analytical rigor on the themes of the course, and properties of language.

***NOTES AND PREREQUISITES***

The student must have basic knowledge in relation to the concepts of financial and managerial accounting.

Information on office hours available on the teacher's personal page at <http://docenti.unicatt.it/>.