



UNIVERSITAS INDONESIA
FACULTY OF ECONOMICS AND BUSINESS
DEPARTEMEN OF ACCOUNTING
UNDERGRADUATE PROGRAM

SYLLABUS

Introduction to Auditing and Assurance Services (AUDITING 1)

ECAU604101

2021/2022 - 1

Lecturers	Program
Soemarso Slamet Rahardjo / Fitriany	Regular
Aria Farahmita/ Fitriany	Regular
Mawar IR Napitupulu/ Dudi Hadi Santoso	Regular
Ludovicus Sensi/ Aria Farahmita	Regular
Ludovicus Sensi/ Eliza Fatima	Regular
Eliza Fatima/Mohd Taufik Mohd Suffian	Regular
Eliza Fatima	International Class

Subject Code	ECAU604104
Subject Title	Auditing 1
Credit Value	3
Year	3
Pre-requisite	Financial Accounting 1 Financial Accounting 2
Role and Purposes	This course is a part of Auditing and Assurance Services class which consists of Auditing and Assurance-Introduction (Auditing 1) and Auditing and Assurance-Intermediate (Auditing 2). This course is designed to provide an introduction to auditing and assurance services. Level of Proficiency in Auditing 1: Foundation
Subject Learning Outcome	Upon completion of the subject, student will be able to: I. Technical Competence: audit & assurance Upon completion of the subject, student will be able to: (T1) able to describe the objectives and stages involved in performing an audit of financial statements (T2) able to apply relevant auditing standards and applicable laws and regulations to an audit of financial statements (T3) able to assess the risks of material misstatements in the financial statements and consider the impact on the audit strategy (T4) able to explain the key elements of assurance engagements and applicable standards that are relevant to such engagement



	<p>T1 and T4 will be assessed in Auditing 1; T2 and T3 will be assessed in Auditing 2.</p> <p>II. Professional Skill : Interpersonal and Communication Skills</p> <p>a. Communicate clearly and concisely when presenting, discussing and reporting in formal and informal situations, both in writing and orally</p> <p>b. Active listening</p> <p>III. Critical Thinking</p> <p>c. Provide arguments and draw conclusions supported by appropriate evidence</p> <p>IV. Professional Value, Ethics and Attitude : Ethical Principle</p> <p>d. Identify and discuss the fundamental principles of ethics including the threats to fundamental principles and determine the appropriate safeguards to offset the threats</p>
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Subject Synopsis/Indicative Syllabus	Week	<ul style="list-style-type: none"> Specific Learning Outcome Topic 	Required Reading Material
	1	<p>Student should be able to discuss</p> <ol style="list-style-type: none"> the nature and objective of auditing, responsibility of auditor and management regarding financial statements, stages of an audit of financial statements <p>Introduction to Audit</p> <ol style="list-style-type: none"> 1.1. Nature and objective of auditing 1.2. Responsibility of auditor and management regarding financial statements 1.3 Stages of an audit of financial statements 	<p>Hayes ch 1 Theo ch 1 Arens ch 1</p>
	2	<p>Student should be able to:</p> <ol style="list-style-type: none"> Discuss economic demand for auditing Discuss the need for regulation Discuss the regulation governing the work of auditors in Indonesia Identify organizations that affect the profession Discuss requirements to become public accountant in Indonesia <p>The Audit Market</p> <ol style="list-style-type: none"> 2.1. Regulations relevant to auditor profession in Indonesia 2.2. Mandatory audit and voluntary audit 	<p>Hayes ch 2 Theo ch 2 UU AP UU PT No. 40/2007 PP No. 20/2015 PP No. 84/2012</p>
	3	<p>Student should be able to:</p> <ol style="list-style-type: none"> Discuss International Standards on Auditing and Professional Standards for Public Accountants in Indonesia Understand the general definition of assurance services Identify the assurance and non-assurance services normally performed by auditor Describe the five elements exhibited by all assurance engagement 	<p>Hayes ch 4 & 14 IAASB Handbook</p>



		13. Understand the difference between audit, review and compilation 14. Describe professional skepticism Auditors' Services and Auditing Standards 3.1. International framework of auditor services 3.2. Elements of an assurance service 3.3. Reasonable assurance versus limited assurance 3.4. Professional Standards for Public Accountants in Indonesia 3.5. Professional Judgement and Professional Skepticism	
	4	Student should be able to: 15. Understand the code of ethics for professional accountant 16. Discuss the threats to the fundamental ethical principle and determine the safeguards Ethics for Professional Accountant 4.1 What are ethics 4.2 Code of Ethics for Professional Accountants 4.3 Enforcement of ethical environments	Hayes ch 3 Theo ch 3 IESBA Code of Ethic IAPI: Kode Etik Profesi AP
	5	Student should be able to: 17. Describe the audit risk model and its components 18. Discuss the relationship of risks to audit evidence Audit Risk Model 5.1. components of audit risk model	Hayes ch 6 Arens ch 9
	6	Student should be able to: 19. Understand the objective and activity during preliminary engagement 20. Understand the seven primary procedures involved in the client acceptance process 21. Discuss the ethical and competency requirements of the audit team Pre-planning Activities – Client Acceptance 6.1. The first step on the journey to an opinion 6.2 Evaluate the client background 6.3 Ability to meet ethical and specific competence requirement 6.4 Communicating with the predecessor auditor 6.5 The Audit engagement letter	Hayes ch 5 Arens ch 8
	7	WRAP UP Group presentation : Ethics case study	
	MID-TERM EXAM		
	8	Student should be able to: 22. Describe the objectives of internal control 23. Contrast management's responsibilities with the auditor's responsibilities related to internal control 24. Explain five components of internal control	Hayes ch 7 Theo ch 6 SA 315



	<p>25. Discuss how auditor assess control risk</p> <p>Internal Control and Control Risk</p> <p>8.1. The importance of internal control</p> <p>8.2. Components of internal control</p> <p>8.3. IT risk and control</p> <p>8.4. Design of internal control</p> <p>8.5 Preliminary assessment of control risk</p>	
9	<p>Student should be able to:</p> <p>26. Describe four general analytical procedures</p> <p>27. Comprehend why and how analytical procedures may be used at each audit phase</p> <p>Analytical Procedures</p> <p>9.1. Relationship among data</p> <p>9.2. Type and timing of analytical procedures</p> <p>9.3. Analytical review process</p> <p>9.4 Analytical procedures during different phases in the audit process</p> <p>9.4. Analytical procedures as substantive test</p>	Hayes ch 8 SA 520
10	<p>Student should be able to:</p> <p>28. State what the general objective is in planning the audit</p> <p>29. Understand the knowledge of client's industry and business in order to assess the audit risk</p> <p>30. Understand the definition of materiality</p> <p>Main Audit Concept and Planning</p> <p>10.1 Planning objective and procedures</p> <p>10.2 Understand the entity and its environment</p> <p>10.3 Materiality</p>	Hayes ch 6 Theo ch 8,16 SA 300, 315, 320
11	<p>Student should be able to:</p> <p>31. Understand management assertions</p> <p>32. Distinguish management assertions and audit objectives</p> <p>33. Explain the relationship between audit objectives and the accumulation of audit evidence</p> <p>Auditor's Response to Assessed Risk</p> <p>11.1. Financial Statement assertions</p> <p>11.2. Risk of material misstatement at the assertion level</p> <p>11.3. Test of control</p> <p>11.4. Substantive procedures</p>	Hayes ch 9 SA 330
12	<p>Student should be able to:</p> <p>34. Contrast audit evidence with evidence used by other professions</p> <p>35. Specify the characteristics that determines the persuasiveness of evidence</p> <p>36. Understand the seven evidence gathering techniques</p> <p>Audit Evidence</p> <p>12.1. Legal evidence versus audit evidence</p> <p>12.2. Sufficient and appropriate audit evidence</p> <p>12.3. Seven evidence-gathering techniques: inquiry, observation, inspection, reperformance,</p>	Hayes ch10 SA 500



		recalculation, confirmation, and analytical procedures.	
	13	Student should be able to: 37. Understand the extent to which external audit can use the work of the internal audit in achieving audit objectives 38. Understand the role of auditor's expert in the audit Using the work of others 13.1. Internal auditors 13.2. Management and Auditor's Expert	Hayes Ch 6 SA 610, 620
	14	Wrap up	
	FINAL EXAM		
Teaching/Learning Methods	<p>Teaching method uses active lecturing and class discussions, in which students achieve the study objectives by discussing the topics under the guidance of the lecturer. Sessions 1 to 13 start with group presentation and then continue with discussion led by the lecturer</p> <p>After session 4, students (per group) should select an ethical case involving auditors in the last 2 years, identify the threat(s) in the case and analyze the appropriate safeguard(s) that should have been applied to mitigate the threat(s). This ethical case will be presented and discussed at session 7.</p> <p>In session 14, lecturers may select cases from textbook pertaining to topics covered in session 8-13 and discuss with students.</p>		
Assessment Methods	Specific assessment methods/tasks	%	Intended Learning Outcome to be Assessed
			T1 T4 a b c d
	Continuous Assessment	100	
	GROUP	20	
	Group presentation (10%)		√ √ √
	Group presentation on ethics (10%)		√ √ √ √
	INDIVIDUAL	80	
	Mid-term Exam (30%)		√ √
	Final Exam (30%)		√
	Participation & Discussion (10%)		√ √
	Quiz (10%)		√ √ √
Reading Materials	<p>Required Reading:</p> <ol style="list-style-type: none"> Hayes, Wallage, and Gortemaker, Principles of Auditing – an Introduction to International Standards on Auditing, 3rd Edition (2014), Pearson Education Limited (Hayes) Tuanakotta, Theodorus M, Audit Kontemporer, Penerbit Salemba Empat, 2015 (Theo) Steven Colling, Interpretation and Application of International Standards, John Wiley & Sons, 2011 (Colling) <p>Supplementary Reading:</p> <ol style="list-style-type: none"> Undang Undang Akuntan Publik, 2011 (UU AP) Handbook of International Quality Control, Review, Auditing, Other Assurance, and Related Services Pronouncements, 2016-2017, IAASB (Handbook IAASB) 		



	<p>6. Arens, Alvin, Beasley, Elder, Auditing and Assurance services – an integrated approach. Global Edition. Pearson Education Limited 2014 (Arens)</p> <p>7. Responding to Non-Compliance with Laws and Regulations, IESBA (NOCLAR)</p>
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