

# **SYLLABUS (2003)**

## **AUDITING (ZIMBABWE)**

---

### **PURPOSE:**

To enable the learner to appreciate the need for, and the nature of Auditing so as to be able to converse in the Auditing “language” in the business environment.

### **OBJECTIVES:**

The objectives of Auditing and its syllabus are to:

1. Familiarise the student with the basic concepts and methodology of auditing, including information systems auditing.
2. Teach the student professionalism and ethics in the conducting of work.
3. Familiarise the student with the principles of reporting on past audits according to the international Auditing Standards (IAS).

### **RECOMMENDED TEXTBOOK:**

The Principles and Practice of Auditing (Seventh Edition) by Puttick & van Esch: Juta & CO Ltd 1998.

### **SYLLABUS:**

#### **Section 1 : Introduction**

- 1.1 Origin and history of auditing
- 1.2 Development of the auditing profession

#### **Section 2: The audit profession and the auditor**

- 2.1 The qualifications of the auditor
- 2.2 Regulation of auditors, accountants and chartered accountants of Zimbabwe
- 2.3 The auditor’s responsibilities
- 2.4 Appointment
  - 2.1.1 Sole trader
  - 2.1.2 Partnership

- 2.1.3 Limited liability company
- 2.5 Engagement letters
- 2.6 Ethics and Code of Professional Conduct
- 1.1 Public Accountant's and Auditor's Act.

### **Section 3: Nature and objectives of auditing**

- 3.1 The nature and main objectives of auditing
- 3.2 The scope of the audit
- 3.3 Classes of audit

### **Section 4: The audit process and approach**

- 4.1 The audit process
- 4.2 The audit approach

### **Section 5: Audit planning and control**

- 5.1 Knowledge of the business
- 5.2 Materiality
- 5.3 Audit risk
- 5.4 Planning
- 5.5 Control of the conduct of an audit

### **Section 6: Internal control**

- 1.1 The evaluation of internal controls

### **Section 7: Audit evidence**

- 7.1 Nature and sufficiency of audit evidence
- 7.2 Nature, timing and extent of audit procedures
- 7.3 Audit sampling
  - 7.3.1 Sampling risk
  - 7.3.2 Judgmental sampling
  - 7.3.3 Statistical sampling
  - 7.3.4 Stages in audit sampling

### **Section 8: Audit working papers**

- 8.1 The purpose of working papers
- 8.2 The content of working papers
- 8.3 Working paper format

### **Section 9: Audit methodology**

## 9.1 Auditing of the accounting cycles

### 9.1.1 Revenue/receipts cycles

- activities and control
- audit procedures

### 9.1.2 Purchase/payments cycle

- Activities and control
- Audit procedures

### 9.1.3 Production/inventory cycle

- Activities and control
- Audit procedures

### 9.1.4 The audit of the finance cycle

- Transaction audits
- Verification of assets
- Verification of liabilities

## **Section 10: The auditor's report on annual financial statements**

### 10.1 Reporting standards

### 10.2 Prerequisite for reporting

### 10.3 Content and presentation of the Auditor's report

### 10.4 Basic elements of audit report

### 10.5 Modified audit reports

### 10.6 The audit option

## **Section 11: Information Systems (IS) Auditing**

### 11.1 General consideration

#### 11.1.1 Introduction

#### 11.1.2 Computer systems and processing environments

#### 11.1.3 The computer auditing skills problems

#### 11.1.4 Effects of computers on the audit

#### 11.1.5 Introduction

#### 11.1.6 Skills and competence requirements

#### 11.1.7 The accounting system

#### 11.1.8 Consideration of inherent and control skills

#### 11.1.9 Audit approach

#### 11.1.10 Study and evaluation of internal control

#### 11.1.11 Substantive procedures

#### 11.1.12 Using micro-computers in the conduct of the audit

#### 11.1.13 Audit planning and administration

#### 11.1.14 Review of accounting systems

#### 11.1.15 Obtaining and documenting of audit evidence

#### 11.1.16 Preparation of financial statements

**EXAMINATION**

A three-hour examination paper counting 100marks, is written in either May or October each year. Students must answer four questions, each worth 25marks, based on give data.

---oooOOooo---