

## COURSE OUTLINE

<b>Department &amp; Faculty:</b> Department of Mechanical Engineering & Management Centre for Diploma Studies, SPACE, UTM	<b>Page :</b>
<b>Course Code :</b> Audit (DDWW 3533) <b>Total Contact Hours : 4 hours x 14 weeks</b> Lecture 3 hrs Tutorial 1 hour	<b>Semester :</b> <b>Academic Session :</b>

<b>Lecturer</b> : En. Redzuan Abdul Rahman <b>Room No.</b> : V406E <b>Telephone No.</b> : 013-2792878 <b>E-Mail</b> : redzuan@utmspace.edu.my	<b>Synopsis</b> : This course introduces students to theories, procedures and application of auditing in an organization. Topics covered are introduction to auditing, appointment, powers and responsibilities of auditors, ethical conduct of work, audit planning, audit evidence, audit procedures and working papers, determination of materiality and risk and assessing internal control of an organization, audit sampling methods, verification of assets and liabilities, reviewing subsequent events, preparation of audit report and effect of information technology on auditing.
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### LEARNING OUTCOMES

By the end of this course, students should be able to:

No.	Course Learning Outcome	Programme Learning Outcome(s) Addressed	Taxonomy and Soft skills Levels	Assessment Methods
1.	Describe the nature of audit works. Describe the effect of information technology on audit.	PO1	C3	Quiz, Test, Final Exam
2.	Describe the relevant audit procedures and audit reports.	PO3 PO6	P1, A3 CTPS1-2, LL2	Test, Assignment Final Exam
3.	Reproduce ideas clearly and effectively as well as gives feedback.	PO4	P3, CS3	Assignment
4.	Discuss the laws and ethics in audit.	PO8	A3, EM1-2	Assignment, Final Exam

<b>Prepared by (Head of Programme)</b> <b>Name</b> : Hasliza Husin <b>Signature</b> : <b>Date</b> :	<b>Certified by (Head of Department)</b> <b>Name</b> : Mohamad Shafie Abdul Rashid <b>Signature</b> : <b>Date</b> :
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### STUDENT LEARNING TIME

Teaching and Learning Activities	Student Learning Time (Hours)
1. Face to face Learning <ul style="list-style-type: none"> <li>a. Lecture</li> <li>b. Tutorial</li> <li>c. SCL Activities</li> </ul>	35 14 7
2. Independent Study <ul style="list-style-type: none"> <li>a. Non Face to face learning or SCL</li> <li>b. Revision</li> <li>c. Evaluation</li> </ul>	34 15 9
3. Formal evaluation <ul style="list-style-type: none"> <li>a. Tests</li> <li>b. Quizzes</li> <li>c. Final examination</li> </ul>	2 1.5 2.5
<b>Total</b>	<b>120</b>

### TEACHING METHODOLOGY

Lecture and Discussion, Co-operative Learning, Independent Study, Individual/Group Assignment, Presentation

### WEEKLY SCHEDULE

<b>Week 1</b>	<b>: 1.0 INTRODUCTION</b>
	1.1 Definition, types, objectives, process, benefits and limitations of audit 1.2 Types and functions of auditors 1.3 Auditors and Companies Act, 1965 1.4 Appointment, resignation, removal, rights, power and duties
<b>Week 2</b>	<b>: 2.0 PROFESSIONAL CONDUCT AND ETHICS</b>

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	2.1	Definition and importance of ethics and professionalism
	2.2	Ethical dilemmas
	2.3	Principals and by-laws to govern professional conduct
	2.4	Fraud and errors
	2.5	Responsibilities of management and auditors
<b>Week 3</b>	<b>: 3.0</b>	<b>AUDIT EVIDENCE, PROCEDURES AND WORKING PAPERS</b>
	3.1	Definition and types of audit evidence
	3.2	Management assertions
	3.3	Categories of audit tests
	3.4	Audit procedures
	3.5	Working papers
<b>Week 4</b>	<b>: 4.0</b>	<b>AUDIT PLANNING</b>
	4.1	Preliminary planning activities
	4.2	Engagement letter
	4.3	Audit planning
	4.4	Analytical procedures and financial ratios
<b>Week 5</b>	<b>: 5.0</b>	<b>MATERIALITY AND RISKS</b>
	5.1	Definition and types of materiality and risks
	5.2	Steps in applying materiality
	5.3	Components and uses of audit risk model
<b>Week 6 &amp; 7</b>	<b>: 6.0</b>	<b>INTERNAL CONTROL</b>
	6.1	Definition, controls relevant to the audit
	6.2	Components and limitations of internal control
	6.2	Obtaining and documenting the understanding of internal control
	6.3	Internal control and audit strategy and communication of its related matters
	6.4	Directors' statement on internal control
<b>Week 8</b>	<b>: 7.0</b>	<b>AUDIT SAMPLING</b>
	7.1	Definition and key concepts of applying audit sampling
	7.2	Types of audit sampling
	7.3	Steps involved in audit sampling
<b>Week 9</b>	<b>: 8.0</b>	<b>VERIFICATION OF ASSETS AND LIABILITIES</b>
	8.1	Revenue
	8.2	Purchasing
<b>Week 10</b>	<b>: 8.0</b>	<b>VERIFICATION OF ASSETS AND LIABILITIES</b>
	8.3	Payroll

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	8.4	Property, plant and equipment
<b>Week 11</b>	<b>: 8.0</b>	<b>VERIFICATION OF ASSETS AND LIABILITIES</b>
	8.5	Shareholders equities and long-term liabilities
	8.6	Cash and investment
<b>Week 12</b>	<b>: 9.0</b>	<b>COMPLETING THE AUDIT</b>
	9.1	Final evidential evaluation process
	9.2	Communication of material weaknesses in internal control
<b>Week 13</b>	<b>: 10.0</b>	<b>AUDIT REPORT</b>
	10.1	Definition, categories and elements of audit report
	10.2	Conditions that lead to departure from unqualified audit report
<b>Week 14</b>	<b>: 11.0</b>	<b>EFFECT OF INFORMATION TECHNOLOGY ON AUDIT</b>
	11.1	Types of controls in IT environment
	11.2	Effects of IT on internal control
	11.3	Types of computer-assisted audit techniques
	11.4	Electronic commerce and audit implications
<b>(TOTAL OF 15 LECTURE WEEKS INCLUDING 1 WEEK MID SEMESTER BREAK)</b>		

REFERENCES	Main Text:
	William f. Messiar Jr., Margaret Boh, 2006, Auditing and Assurance Services in Malaysia, McGraw-Hill
	Other Reference:
	1. Alvin A. Arens, James K.Lobbecke, Takiah Mohd. Iskandar, S.D. Susela, Shaari Isa, Auditing in Malaysia, Prentice Hall 2. Alvin A. Arens, Randal J. Elder, Mark S. Beasley, 2006, Auditing and Assurance Services in Malaysia, Prentice Hall 3. Companies Act, 1965

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## GRADING

No	Assessment Method	PLO	Number	PPD & PSM Assessment (%)	PPK Assessment (%)	Implementation Dates
1	Quiz	PLO1 PLO3	5	10	10	Week 1 - 14
2	Test	PLO1 PLO3	2	30	20	Week 5, 11
3	Assignment	PLO3 PLO4 PLO6	1	10	10	Week 9 - 13
4	Final exam	PLO1 PLO3 PLO8	1	50	60	Week 17 - 19
	<b>Overall Total</b>			<b>100</b>	<b>100</b>	