



جامعة آل البيت

**Al al-BAYT UNIVERSITY**

**Faculty of Finance and Business Administration - Accounting Department**  
**accounting information systems control and audit - Course No. (508455) - Credit Hours: 3 (BSc.**  
**Level)**

First semester: 2015/2016

**Dr. Mohammad Hamdan**

### **1. Course Description:**

Offering concise, readable coverage of information technology auditing, this course helps students understand the impact of information and communication technologies on organizations and accountants, and shows how to apply IT-auditing techniques using computer-assisted auditing tools. The book also explores security issues, legal and ethical issues, and more. Describes the use of computer assisted audit techniques and computer fraud auditing Explains IT audit in the context of the CobiT(r) framework. Accompanied by a CD with ACL software, and an appendix contains an audit case requiring its usage. There is also and appendix of IT audit terminology and definitions.

### **2. Course General Objectives:**

Upon successful completion of this course, the student will have reliably demonstrated the ability to:

- To recap of different information systems in operation and their management;
- To extend the potential graduates' horizon into the realm of audit and control aspects of information management;
- To evaluate the effectiveness of information systems.

### **4. Course Outline:**

The course contain of seven chapters, divide as following:

#### **Chapter 1: Demand for audit and assurance services**

After studying this chapter, The student will be able to:

- Describe assurance services and distinguish audit services from other assurance and non-assurance services provided by public accountants.
- Explain the importance of auditing in reducing information risk.
- List the causes of information risk, and explain how this risk may be reduced.
- Describe auditing.
- Distinguish between auditing and accounting.
- Differentiate the three main types of audits.
- Identify the primary types of auditors.
- Describe the nature of public accounting firms, what they do, and their structure.
- Describe the key functions performed by the professional accounting bodies.
- Use auditing standards as a basis for further study.
- Identify quality control standards and practices within the accounting profession.
- Summarise the role of the *Corporations Act 2001* in accounting and auditing.

- Describe the impact of e-commerce on public accountants.

### **Chapter 2: Audit reports**

After studying this chapter, The student will be able to:

- Contrast audit evidence with evidence used by other professions.
- Identify the four audit evidence decisions that are needed to create an audit program.
- Specify the characteristics that determine the persuasiveness of evidence.
- Identify and apply the seven types of evidence used in auditing.
- State the purposes of analytical procedures and the timing of each purpose.
- Select the most appropriate analytical procedure from among the five major types.
- Explain the benefits of using statistical techniques and computer software for analytical procedures.

### **Chapter 3: Auditors' legal environment**

After studying this chapter, The student will be able to:

- Appreciate the complex and dynamic regulatory environment in which auditors practise.
- Describe the main elements of statutory regulation relevant to auditors and auditing.
- Specify what constitutes criminal liability for auditors.
- Define the primary legal concepts affecting auditors' liability.
- Describe the auditor's liability to clients and duties to management.
- Describe the auditor's liability to third parties under common law.
- Describe the auditor's responsibilities for detecting and reporting fraud and error.
- Describe how individual auditors and firms can manage legal liability exposure.

### **Chapter 4: Audit quality and ethics**

After studying this chapter, The student will be able to:

- Understand the relevance of audit quality to corporate governance.
- Explain the nature and consequences of an expectations gap regarding auditing and audit quality.
- Explain what is meant by 'auditor competence'.
- Distinguish ethical from unethical behaviour in personal and professional contexts.
- Identify ethical dilemmas and describe how they can be addressed.
- Explain the purpose and content of the professional bodies' ethical code.
- Discuss issues pertaining to independence and the relevant ethical requirements.
- Discuss aids to maintaining independence.

### **Chapter 5: Audit responsibilities and objectives**

After studying this chapter, The student will be able to:

- Explain the objective of conducting an audit of financial statements.
- Distinguish management's responsibilities for preparing financial statements from the auditor's responsibilities for verifying those financial statements.
- Explain the auditor's responsibility for discovering material misstatements.
- Classify transactions and account balances into financial statement cycles and identify benefits of a cycle approach to segmenting the audit.
- Describe why the auditor obtains a combination of assurance by auditing classes of transactions, ending balances in accounts, and presentation and disclosure.
- Distinguish among the three categories of management assertions about financial information.
- Link the six general transaction-related audit objectives to management assertions for classes of transactions.
- Link the eight general balance-related audit objectives to management assertions for account balances.
- Link the four presentation- and disclosure-related audit objectives to management assertions for presentation and disclosure.
- Explain the relationship between audit objectives and the accumulation of audit evidence.

### **Chapter 6: Audit evidence**

After studying this chapter, The student will be able to:

- Contrast audit evidence with evidence used by other professions.
- Identify the four audit evidence decisions that are needed to create an audit program.
- Specify the characteristics that determine the persuasiveness of evidence.
- Identify and apply the seven types of evidence used in auditing.
- State the purposes of analytical procedures and the timing of each purpose.
- Select the most appropriate analytical procedure from among the five major types.
- Explain the benefits of using statistical techniques and computer software for analytical procedures.
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### **Chapter 7: Audit planning and documentation**

After studying this chapter, The student will be able to:

- Discuss why adequate audit planning is essential.
- Make client acceptance decisions and perform initial audit planning.
- Gain an understanding of the client's business and industry.
- Assess client business risk.
- Perform preliminary analytical procedures.
- Understand the purposes of audit documentation.
- Prepare organised audit documentation.
- Describe how e-commerce affects audit evidence and audit documentation.

### **Revision & Papers Evaluation**

**5. Course Evaluation:**

- **Participation, Presentation, & Research (0%)**
- **1<sup>st</sup> Exam (25%)**
- **2<sup>nd</sup> Exam (25%)**
- **Final (50%)**

**Reading List:****References**

*CISA Review Manual*, ISACA publications.

2. Hunton, J.E., Bryant, S.M., and Bagranoff, N.A., *Core Concepts of Information Technology Auditing*, John Wiley & Sons, 2004.

3. Gallegos, F., Manson D. P., Gonzales, C., Senft, S., *Information Technology Control and Audit*, Auerbach, 2004.

4. Champlain, J.J., *Auditing Information Systems*, John Wiley, 2003.

5. Weber, R., *Information Systems Control and Audit*, Prentice Hill, 1999.