

CPA PREPARATORY COURSES  
**SYLLABUS**

Audit and Assurance

## Purpose

The purpose of this syllabus is to provide information about the Audit and Assurance CPA preparatory course. This document has been produced for current and potential students and those who advise them; and others in the professional, academic, and general community.

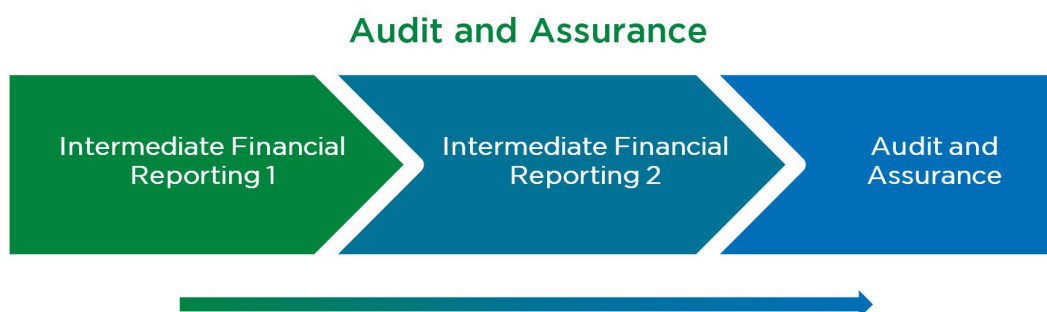
## Course Overview

### Course description

This six-week core course develops competencies in audit and assurance concepts, consistent with the methodology used in the *CPA Canada Handbook – Assurance*. This course covers the key concepts of auditing, such as client acceptance, planning (risk, approach, materiality, procedures), assessing internal controls, performing procedures, and documenting and reporting results. This course also covers reviews, compilations, and other audit and review engagements.

### Course prerequisites

The prerequisites for this course are the following courses or equivalent post-secondary courses:



### Resources

See the Student Guide for a comprehensive list of course resources.

### Grading

See the Student Guide for the course grading structure.

## Course Outline

The following topics are covered in Audit and Assurance:

### Unit 1

- Explore assurance and audit engagements, including their purpose, types of engagements, audit stages, the roles and responsibilities in audits, and the independent auditor's report.
- Describe the standard-setting process for assurance, the *CPA Canada Handbook – Assurance* and its components, and emerging issues in audit and assurance.
- Describe the codes of professional conduct that set out general and specific duties for all CPA Canada members, students, and/or firms.
- Discuss ethics and legal considerations for assurance engagements, including how to approach ethical issues by applying professional judgment and the CPA Way.

### Unit 2

- Discuss client acceptance or client continuance.
- Discuss the audit planning process and the development of the audit strategy and the audit plan.
- Discuss the risk assessment component of the audit plan.
- Discuss how the going-concern basis of accounting affects the audit.
- Discuss the specific requirements regarding fraud risk, related party transactions, estimates, and contingent liabilities.
- Discuss the approach component of the audit plan and other strategy considerations, including timing, obtaining evidence about opening balances, using the work of an expert, internal audit and service organizations, and the audit of groups of companies.

### Unit 3

- Discuss the materiality component of the audit plan.
- Discuss the procedure component of the audit plan, including defining and discussing assertions and how audit procedures are designed to address them.
- Discuss audit evidence and how it responds to the assessed risk, materiality level, and audit approach, including the use of audit data analytics (ADAs) and the required documentation for the planning stage.
- Discuss the basic components of internal controls, including information technology controls.

## Unit 4

- Discuss tests of controls in executing the audit plan.
- Discuss substantive analytical procedures, tests of details, ADAs, and computer-assisted audit techniques (CAATs).
- Discuss audit sampling.

## Unit 5

- Discuss general procedures that are performed, common risks of material misstatement, as well as specific procedures to address these risks for the following balances or cycles:
  - cash and investments
  - revenue, receivables, and receipts cycle
  - purchases, payables, and payments cycle
  - inventory and distribution cycle
  - property, plant, and equipment
  - payroll cycle
- Describe the documentation required in the execution stage.
- Discuss concluding and reporting, the different types of misstatements, and subsequent events and their effect on the audit.
- Discuss the independent auditor's report and how data visualizations and dashboards can be used to present information and reports to stakeholders.

## Unit 6

- Discuss the review of historical financial statements and compilation engagements.
- Describe other engagements, including engagements that provide a reasonable and limited level of assurance, and other engagements that do not provide assurance.

## Reading List

The following chapters from the Audit and Assurance volume of the eBook are the required readings for the course:

### Unit 1

- Chapter 1 — Assurance and Audit Defined
- Chapter 2 — The Regulatory Framework for Assurance
- Chapter 3 — Code of Professional Conduct
- Chapter 4 — Ethics and Legal Considerations

### Unit 2

- Chapter 5 — Client Acceptance and Continuance
- Chapter 6 — Planning — Introduction to Audit Planning
- Chapter 7 — Planning — Risk Assessment
- Chapter 8 — Planning — Going-Concern Considerations
- Chapter 9 — Planning — Fraud and Other Risk Considerations
- Chapter 10 — Planning — Approach and Strategy Considerations

### Unit 3

- Chapter 11 — Planning — Materiality
- Chapter 12 — Planning — Assertions and Procedures
- Chapter 13 — Planning — Evidence and Documentation
- Chapter 14 — Internal Controls

### Unit 4

- Chapter 15 — Execution — Tests of Controls
- Chapter 16 — Execution — Substantive Procedures
- Chapter 17 — Execution — Sampling

### Unit 5

- Chapter 18 — Execution — Audit of Cash Balances and Investments
- Chapter 19 — Execution — Audit of the Revenue, Receivables, and Receipts Cycle
- Chapter 20 — Execution — Audit of Purchases, Payables, and Payments Cycle
- Chapter 21 — Execution — Audit of the Inventory and Distribution Cycle
- Chapter 22 — Execution — Audit of Property, Plant, and Equipment
- Chapter 23 — Execution — Audit of the Payroll Cycle
- Chapter 24 — Execution — Documentation
- Chapter 25 — Concluding and Reporting — Concluding and Completion Procedures
- Chapter 26 — Concluding and Reporting — Reporting Considerations

## Unit 6

- Chapter 27 — Reviews and Compilations
- Chapter 28 — Other Engagements