

**COURSE CODE: SYSTEM AND SPECIAL AUDIT**

**COURSE CODE: 11BC31C1**

**LTP:3-0-0**

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**Unit I : Audit of Banks:** Definition of Banking Companies - Types of Banking Institutions – Legislation relevant to Audit of Banks - Important legal provisions of Banking Regulation Act 1949 – Accountants – Auditor – Minimum Capital Payment of Dividend – Cash Reserve – Special Audit - Identification and classification of Advances and Non Performing Assets- Provisions related to NPA – Bank Audit Report – Long Form Audit Report – Stages in Audit of Banks – Audit of Cash and Bank balances – Advances – Fixed Assets – Deposits – Profit and Loss Account – Contingent Liabilities. – Concurrent Audit.

**Unit – II Audit of General Insurance Companies:** Introduction – Preparation of Financial Statements – Submission of Financial Statements – Guidelines for appointment of Auditor of Insurance Companies – Auditor’s Report - Audit of Revenue Items, Claims, Commission, Interest, Dividends and Rent – Audit Procedure - Audit of Balance Sheet Items – Reinsurance – Co-insurance.

**Unit III: Audit of other Specialised Undertakings:** Audit of Cooperative societies - Introduction, Features of Cooperative Audit, Rights and Duties of Cooperative Auditors, Audit Report – Audit of Public Sector Undertakings – Objectives - Scope – Audit of Government Companies and CAG - Audit of Educational Institutions – Audit of Charitable Trusts - – Audit of Hospitals – Audit of Clubs – Audit of Hotels.

**Unit – IV Audit and Investigations:** Tax Audit - Introduction - Types of tax audit – Tax Auditor – Compulsory Tax audit u/s 44AB – Penalty for non compliance – Tax audit report – Management Audit – Objectives – Types - Operational Audit – Objectives – Types – Management Audit vs Operational Audit – Investigation – Meaning - Difference between Audit and Investigation – Steps in Investigation – Special Issues in Investigation - Types of Investigation - Qualities of an investigator.

**Unit – V: Audit in EDP Environment:** Introduction – IT impact on Auditing – Design and Procedural Aspects of EDP Systems – Objective and Scope of Audit in IT Environment – Auditing in IT Environment – Audit approach in an EDP Environment – Computer Assisted Audit Technique - Online Computer Systems.

**Recommended Text Books:**

1. CA. Kamal Garg, Professional Approach to Advance Auditing”, Bharat Law House PVT. LTD., 13<sup>th</sup> Edition, 2012, New Delhi

**Reference Books:**

1. S.K.Basu, Fundamentals of Auditing, Pearson, New Delhi
2. Ravinder Kumar and Virender Sharma, “Auditing”, PHI, New Delhi
3. V.H.Kishnadwala and M.V.Shetti, “Auditing – Principles & Practice” Sulthan Chand & Sons, New Delhi