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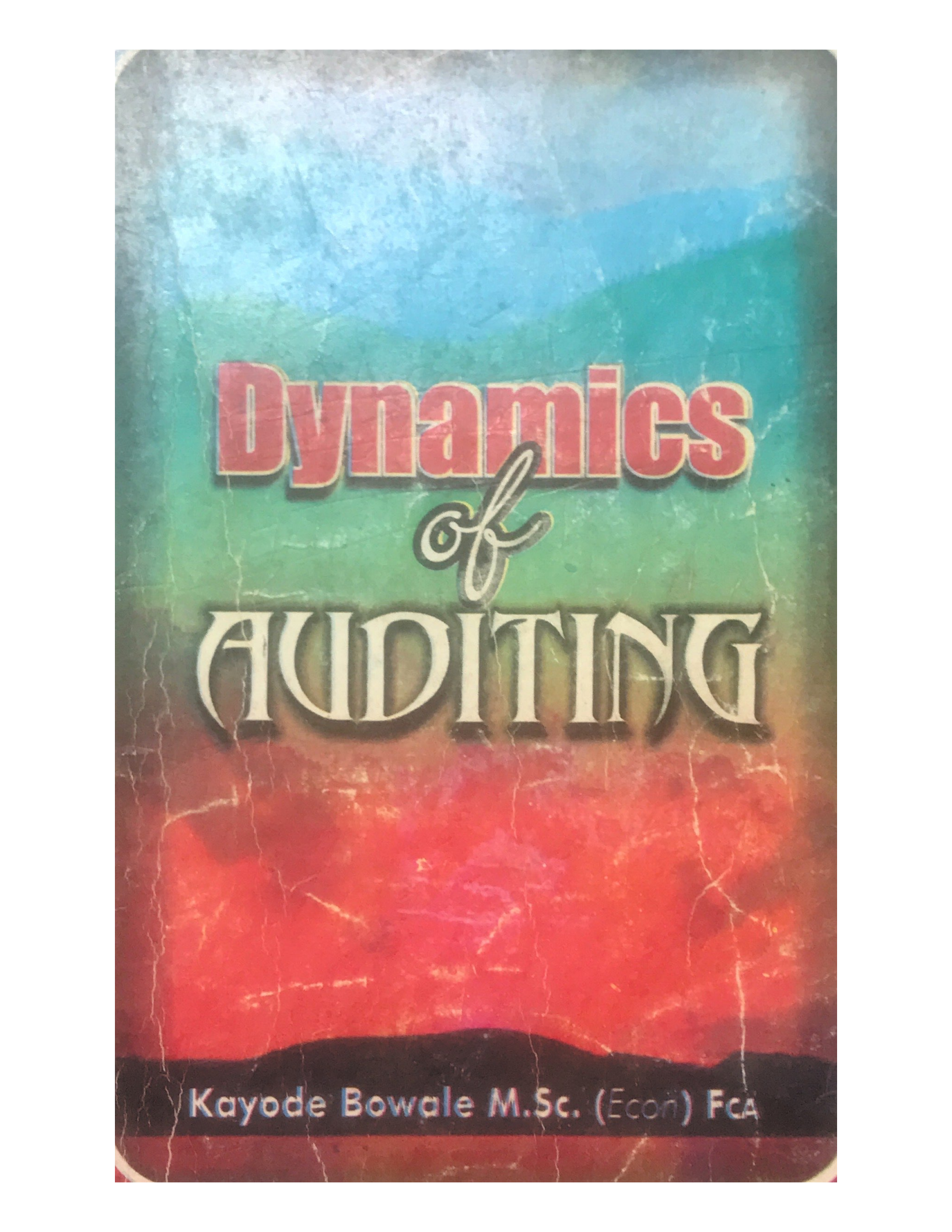
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Dynamics
of
AUDITING

Kayode Bowale M.Sc. (Econ) FCA

Dedication

This book is dedicated to all lovers of quality and functional education worldwide.

Acknowledgements

I gratefully acknowledge the guidance and moral support of my senior professional colleagues Messrs D.O Obisesan (Former chairman – Oyo State Board of Internal Revenue); Pius Akhiemien and Bayo Adetifa. I received various suggestions and advice from them when sourcing materials for the manual. I appreciate the understanding and moral support of Professors Ebenezer Akinnawo and Olufemi Mimiko of the faculty of Social and Management Sciences, Adekunle Ajasin University, Akungba Akoko, Ondo State of Nigeria.

I am grateful to the Institute of Chartered Accountants of Nigeria (ICAN), the Institute of Chartered Accountants (Ghana), and the Institute of Chartered Accountants in England and Wales (ICAEW) for use of materials from their past professional examinations. I am indebted to Professor O. Ogunjimi (Dean of Faculty of Management Science – Bowen University, Iwo) who agreed to write the forward to this book.

I acknowledge with thanks the understanding and patience of my wife – Mrs. Margaret Bowale and my children – Lola, Deji, Kunle and Bolu. They are a great source of encouragement to me.

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Kayode Bolaji M.Sc. (Econ) FCA
Director of Accounting
Accounting & Finance Department
University of Lagos, Akoka, Lagos State

Preface

In recent years there are significant changes globally in the practice of auditing. The speed with which information is passed within and between organizations has increased due to changes in technology including the tremendous growth of electronic commerce. There is also a growing demand by various parties for auditors to assume more responsibilities in the society. This apart, there is also a growing emphasis for auditors to provide assurance services. In view of these changes, it is important that students thoroughly understand the audit process by understanding the basic concepts that underline the audit process and how to apply those concepts to various audit and assurance service.

This manual takes a systematic approach to the audit process as the primary aim of the manual is to provide a simplified approach to the understanding of modern auditing practice. The end-of-chapter materials contain review questions from various examination bodies and from problem developed by the author. The questions are to test comprehension and learning of the materials of the chapters. Students who will find the manual invaluable include those studying for examination of various professional bodies such as the Institute of Chartered Accountants of Nigeria and similar professional bodies. Students studying auditing as part of their courses in Colleges of Education, Polytechnic or Universities. Managers and accountants who wish to gain proper understanding and knowledge of the new techniques of auditing, will also find the manual very useful.

FOREWORD

The business environments are witnessing a lot of changes nowadays due to changes in technology including the growth of electronic commerce. Information is transmitted with ease and great speed in business cycle worldwide. It is now possible for organizations to expand their activities globally.

All these changes have impacted on the accounting profession and therefore there are more challenges facing the auditors in the discharge of their duties and responsibilities. Dynamics of Auditing is a timely manual which reflects a simplified and systematic approach of modern auditing in a contemporary business world. The manual has been well designed to provide a formidable framework for proper understanding of the auditing theory and practice in this era of globalization.

I recommend the manual not only to the students sitting for various professional examinations but those in the tertiary institutions such as Colleges of Education, polytechnics and Universities. The managers and other professionals wishing to have a knowledge of the new audit techniques also find the manual invaluable.

Prof. O. Ogunjimi

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