

5

Auditing

This unit covers:

TOPICS

- Auditing reports
- Basic auditing principles
- European and US auditing principles
- Harmonization of financial reporting
- Forensic accounting
- Auditing interviews
- Recruitment of auditors

SKILLS

- Reading: finding the right word, reading topic sentences, scanning a text
- Listening: listening and sequencing, note-taking
- Speaking: presenting a firm, discussing auditing issues
- Writing: writing accurately, presenting arguments

READING

■ Section A Skills

TALKING POINT

TIP

In Part 2 of the Test of Reading, you have to complete a text in which some of the words have been removed.

TIP

In the Test of Reading, highlight key words to help you find similar words in the questions and the texts.

Discuss these questions.

- 1 What is the main priority of an auditor?
- 2 Why has the auditing profession been criticized in recent years?

1 Finding the right word

In this short description of an auditor's report, some of the nouns are missing. Complete the text, using the words in the column on the right. The first one (0) is given as an example.

The auditor's report is a formal opinion, or (0) disclaimer thereof, issued by either an internal auditor or an independent external auditor as a (1) _____ of an internal or external audit or (2) _____ performed on a legal (3) _____ or subdivision thereof, referred to as an (4) _____. The report is subsequently provided to a (5) _____, who could be an individual, a group of persons, a company or a (6) _____, in order to make decisions based on the results of the audit.

An auditor's report is considered an essential (7) _____ when reporting financial information to users, particularly in (8) _____. Since many third-party users prefer, or even require, financial information to be certified by an independent external auditor, many auditees rely on auditor reports to certify their (9) _____ in order to attract (10) _____.

auditee
business
~~disclaimer~~
entity
evaluation
government
information
investors
result
tool
user

2 Pre-reading

Before reading, consider these questions and highlight the key words. Then search the text below for the answers and mark the part in the text which gives you the answer.

- 1 When did forensic accounting start?
- 2 What famous gangster was investigated with the use of a forensic accountant?
- 3 What kind of government institutions use forensic accountants?
- 4 What does a forensic accountant actually do?
- 5 What does forensic accounting lack compared to other branches of accounting?
- 6 When are forensic accountants usually engaged?