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| |  |  | | --- | --- | | **The Ministry of Education and Training**  **HOCHIMINH CITY OPEN UNIVERSITY** | **SOCIALIST REPUBLIC OF VIETNAM**  **Independence – Liberty – Happiness** | |  |

**BACHELOR PROGRAM**

**SYLLABUS**

1. **COURSE OUTLINES**
   1. Name: **AUDITING 2-ACCA F8 – Part 2**
   2. Course code: ACCO3324
   3. Course Credit: 03 credits
   4. Provided by: **Accounting-Auditing Faculty**
   5. Requisite: AUDITING 1- ACCA F8 - part 1
2. **COURSE DESCRIPTION**

The Auditing 2 unit provides professional knowledge about auditing theory relating to responsibilities of auditor, design of audit sample, the work of others, special audit evidence, and explains general audit procedures such as audit of inventory, cash, payable, capital, and reserves. Additionally, this course explains and describes the procedures of audit finalisation, final review and audit reports. Students are required to complete Auditing 1 before enrolling for this course.

1. **COURSE OBJECTIVES** 
   1. **General objectives**

The broad aim of this unit is to equips students with the specialist knowledge about concepts and objectives of auditing. Students are expected to apply their knowledge of accounting, internal control and auditing to solve designed case studies developed from practice.

* 1. **Specific objectives**
     1. **Knowledge**
* Define audit sampling and explain the need for sampling.
* Identify and discuss the differences between statistical and non-statistical sampling.
* Discuss sufficient and appropriate audit evidence.
* Discuss the substantive procedures for obtaining audit evidence, including inspection, observation, external confirmation, recalculation, reperformance, analytical procedures and enquiry.
* Define fundamental tests of controls or substantive procedures relating to a particular account balance, transaction or event, including: cash, non-current assets, inventory, liability, payable, pay roll, capital and reserves.
* Explain the purpose of a subsequent events review.
* Define and discuss the significance of the concept of going concern.
* Explain the importance of and the need for going concern reviews.
* Discuss the quality and reliability of written representations as audit evidence.
* Describe the procedures an auditor should perform in conducting their overall review of financial statements.
* Identify and describe the basic elements contained in the independent auditor's report.
* Describe the format and content of emphasis of matter and other matter paragraphs.
* Describe and discuss contents, and distinguish types of audit reports: unmodified and modified audit opinions in the audit report.
  + 1. **Skills**
* Design audit sampling.
* Evaluate the relevance and sufficiency of audit evidence in substantive circumstances.
* Describe and conduct common audit procedures: cash, non-current assets, inventory, liability, payable, pay roll, capital and reserves
* Write simple and standard audit report and prepare analyzed reports on financial circumstance; and
* Distinguish different types of audit opinions, and prepare audit reports.
  + 1. **Attitude:**

Through the study progress, the students realise professional behavior and can apply professional ethics in performing audit.

1. **COURSE OBJECTIVES**

| **Week No.** | **Chapter** | **Details** | **Lecture hour** | | | | **Materials** |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Total** | **Theory** | **Exercise** | **Practice** |  |
| 1 | Chapter 11  Audit procedures and sampling | * Overview of audit evidence. * The substantive procedures for obtaining audit evidence. * Audit sampling. * The use of computer-assisted audit techniques and test data and audit software. * The work of others. | **4.5** | 3 | 1.5 | 0 | Textbook 1: chapter 11 |
| 2 | Chapter 12:  The audit of Non-current assets | * Explain the audit objectives and the audit procedures in relation to the balance. * The audit of tangible and intangible non-current assets. | **2.0** | 1.5 | 0.5 | 0 | Textbook 1: Chapter 12 |
| 2 | Chapter 13:  The audit of inventory | * Explain the audit objectives and the audit procedures in relation to the balance. * Inventory counting procedures in relation to year end and continuous inventory systems; * Cut-off testing; * Auditor's attendance at inventory counting; * Direct confirmation of inventory held by third parties; * Valuation; * Other evidence | **2.5** | 2.0 | 0.5 | 0 | Textbook 1: chapter 13. |
| 3 | Chapter 14:  Receivables | * Explain the audit objectives and the audit procedures in relation to the balance. * Direct confirmation of accounts receivable * Other evidence in relation to receivables and prepayments, and * Completeness and occurrence of revenue. | **2.5** | 2.0 | 0.5 | 0 | Textbook 1: chapters 14. |
| 3 | Chapter 15:  Cash and bank | * Explain the audit objectives and the audit procedures in relation to the balance. * Bank confirmation reports * Other evidence in relation to bank * Other evidence in relation to cash. | **2.0** | 1.5 | 0.5 |  | Textbook 1: Chapter 15 |
| 4 | Chapter 16:  Liabilities, capital and directors’ emoluments | * Explain the audit objectives and the audit procedures in relation to each balance: liabilities, capital and emoluments. * Audit payables and accruals: Non-current liabilities, provisions and contingencies; share capital, reserves and directors' emoluments. | **4.5** | 3.0 | 1.5 | 0 | Textbook 1: Chapter 16 |
| 5 | Mid-term test |  | **0.5** |  |  |  | (the duration of mid-term test may be adjusted) |
| 5 | Chapter 17:  Not-for-profit organisations | Objectives of not-for-profit organisations:   * Audit plan * Audit evidence * Audit reporting | **4.0** | 3.0 | 1.0 | 0 | Textbook 1: Chapter 17 |
| 6 & 7 | Chapter 18:  Audit review and finalisation | * Subsequent events * Going concern * Written representations * Audit finalisation and final review: | **9.0** | 7 | 2 |  | Textbook 1: Chapter 18 |
| 8 & 9 | Chapter 19:  Audit reports | **Audit reports**   * The basic elements of auditor's report. * Types of audit opinions. * The format and content of emphasis of matter and other matter paragraphs.   **Communication on internal control**   * The requirements and methods of reporting significant deficiencies in internal control. | **9** | 7 | 2 |  | Textbook 1: Chapter 19 |
| 10 | Review | Reviewing key issues and answering requests. | **4.5** | 2.5 | 2 |  |  |
| **Total** | | | **45** | **35** | **12** |  |  |

1. **RESOURCE MATERIALS**
   1. Text books:
      * **Textbook 1:** Audit and assurance – Study text (ACCA F8), BPP Learning Media 2015.
      * **Textbook 2:** Audit and assurance – Practice and revision kit (ACCA F8), BPP Learning Media 2015.
   2. **References:**
      * Auditing Division, Faculty of Accounting and Auditing, University of Economics HCMC (2017). Auditing– 7th Edition. UEH Publishing House.
      * Arens A. A, Elder R.J., and M.S. Beasley (2012), Auditing and Assurance Services – An Integrated Approach, Pearson Prentice Hall.
      * Gramling, Johnstone, K., A. and L.E. Rittenberg (2014). Auditing: A Risk-based Approach to Conduct a Quality Audit – 9th Edition. South-Western Cengage Learning.
      * Vietnamese Accounting standard 1- VAS 01 (2002): General regulation,issued by the Ministry of Finance.
      * The International Accounting Standard Board’s. Accounting conceptual framework 2010. Published by IFRS Foundation.
      * Vietnamese Standards on Auditing (2013), Finance of Ministry, Finance Publishing House.
2. **ASSESSMENT**
   1. Score grading scale: The course grading scale is 10-point system, with ten being the highest and zero being the lowest.
   2. Type of assessment: multi-choice and written questions (do not use related material).
   3. Method of assessment:

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| **No.** | **Method of assessment** | **Ratio** |
| 1 | Process assessment | 20% |
| 2 | Mid-term examination | 30% |
| 3 | Final examination | 50% |

1. **ANTICIPATED SCHEDULE:**

| **Week** | **Topic** | **Topic Cover** |
| --- | --- | --- |
| 1 | Chapter 11  Audit procedures and sampling | * Overview of audit evidence. * The substantive procedures for obtaining audit evidence including analytical procedures, and problems associated with the audit and review of accounting estimates. * Audit sampling and explain the need for sampling. * The use of computer-assisted audit techniques and test data and audit software. * The work of others (including experts, internal auditors, and using service organisations). |
| 2 | Chapter 12 & 13  Audit of tangible and intangible non-current assets | * The audit of tangible and intangible non-current assets, including:   (i) Evidence in relation to non-current assets, and  (ii) Depreciation  (iii) Profit/loss on disposal.   * The explanation of audit objectives and the audit procedures in relation to each balance. |
| Audit of inventory | * Inventory counting procedures in relation to year end and continuous inventory systems; * Cut-off testing; * Auditor's attendance at inventory counting; * Direct confirmation of inventory held by third parties; * Valuation; * Other evidence in relation to inventory. * The explanation of audit objectives and the audit procedures in relation to the balance. |
| 3 | Chapter 14 & 15  Audit of receivable | Receivables:   * Direct confirmation of accounts receivable * Other evidence in relation to receivables and prepayments, and * Completeness and occurrence of revenue. * The explanation of audit objectives and the audit procedures in relation to the balance. |
| Audit of Bank and Cash | Bank and cash:   * Bank confirmation reports used in obtaining evidence in relation to: * Other evidence in relation to bank * Other evidence in relation to cash. * The explanation of audit objectives and the audit procedures in relation to each balance. |
| 4 | Chapter 16:  Liabilities, capital and directors’ emoluments | * Audit of payables and accruals * Audit of non-current liabilities, provisions and contingencies. * Audit of share capital, reserves and directors' emoluments. * The explanation of audit objectives and the audit procedures in relation to each balance. |
| 5 | Chapter 17:  Not-for-profit organisations | Objectives of not-for-profit organisations:   * Audit plan * Audit evidence * Audit reporting |
| 5 | Midterm test | (around 30 minutes- Multiple choice questions) |
| 6 | Chapter 18:  Audit review and finalisation – part 1 | **Subsequent events:**   * The purpose of a subsequent events review. * The responsibilities of auditors regarding subsequent events. * The procedures to be undertaken in performing a subsequent events review.   **Going concern:**   * The significance of the concept of going concern. * The importance of and the need for going concern reviews. * The respective responsibilities of auditors and management regarding going concern. * Potential indicators that an entity is not a going concern. * The procedures to be applied in performing going concern reviews. * The disclosure requirements in relation to going concern issues. * The reporting implications of the findings of going concern reviews. |
| 7 | Chapter 18:  Audit review and finalisation – part 2 | **Written representations:**   * Procedures for obtaining written representations; * The quality of written representations   **Audit finalisation and final review:**   * The importance of the overall review. * The procedures of overall review of financial statements. * The significance of uncorrected misstatements. * The effect of dealing with uncorrected misstatements. |
| 8 | Chapter 19:  Audit reports | **Audit reports**   * The basic elements contained in the independent auditor's report. * Types of audit opinions; including: unmodified audit opinions and modified audit opinions in the audit report. * The format and content of emphasis of matter and other matter paragraphs. |
| 9 | Chapter 19:  Audit reports | **Communication on internal control**   * The requirements and methods of reporting significant deficiencies in internal control, including a suitable format of the report to management. |
| 10 | Reviewing all topics | Explanation and Exercises |

**Ho chi minh City, 19/12/ 2017**

**Dean**

**Dr. Ho Huu Thuy**