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

**BACHELOR PROGRAM**

**SYLLABUS**

**ACCO3302 - AUDITING 1**

1. **COURSE INFORMATION**
   1. Name: **AUDITING 1**
   2. Course code: ACCO 3302
   3. The Department in charge: The School of Advanced Study
   4. Course Credit: 03 credits
   5. Requisite: None
2. **COURSE DESCRIPTION**

The Auditing 1 course provides basic knowledge about auditing theory and information of the industry consisting of the nature and role of auditing activities in the economy. This course also explains basic auditing concepts and environment, for example, materiality, inherent risk, control risk and audit risk. The Auditing 1 helps students realise various types of auditing activities e.g. external auditing services, state audit, and independent audit. This course also describes comprehensive process of auditing in an entity. Students are required to complete financial accounting course 1 before registering this course. It is also prerequisite to take Auditing 2 course.

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

This course aims to provide basic knowledge and skills related to auditing profession consisting of independent audit services and assurance services for financial statements. The students, who take this course, should understand and illustrate auditing process of financial statements conducted by independently auditing profession. Based on such understanding, the students might study standards and related regulations in auditing by themselves.

* 1. **Specific objectives**
     1. **Knowledge**

After completing this course, students are able to:

* Understand nature and role of auditing activities in economy, and distinguish different types of audit services and operations.
* Understand the basic steps necessary to plan and complete a process of auditing financial statements.
* Understand audit responsibilities and actions with appropriate management assertions and audit objectives. Students need to know what auditors have to do and actions to take in order to meet the objectives of an audit.
* Understand the basics of legal and regulatory requirements and environment affecting operation of independent audits and responsibilities of auditors.
* Recognise components of internal control system in an organization and realize why auditors need to analyse strong and weak points of the system in order to set up audit plan and necessary audit tests.
* Understand and explain fundamental concepts in auditing and realise audit process consisting of planning audit process, conducting audit tests, collecting audit evidence, and preparing audit reports.
* Understand how to evaluate evidence accumulation, complete audit process and determine the appropriate type of audit report to issue.
* Understand sufficient and appropriate audit evidence, and obtain skills of collecting audit evidence.
* Understand and explain principles, contents and types of audit reports on financial statements.
  + 1. **Skills**

Passing the examination of this course, students are able to:

* Explain nature and requirement of “true and fair” financial statements;
* Apply knowledge to assess internal control system in terms of efficiency, effectiveness;
* Approach and assess information resources and necessary documents;
* Realise and analyse risks and involve audit performance at fundamental level;
* Plan an audit engagement, including calculate material threshold and assess audit risks;
* Analyse influences of accounting policies applied in the entities on preparing and presenting financial statements;
* Perform audit procedures consisting of tests of controls, substantive analytical procedures and substantive tests of details;
* Work in team, debate, argue and present a topic in a meeting;
* Evaluate the relevance and sufficiency of audit evidence in substantive circumstances;
* Write simple and standard audit report and prepare analyzed reports on financial circumstance (about 1,000 words); and
* Distinguish different types of audit opinions; and prepare audit reports.
  + 1. **Attitude:**

Through the study progress, the students realise professional behavior and are able to apply professional ethic in performing audit.

1. **CONTENTS OF THE COURSE**
   1. **Topic 1 – Overview of financial statements**

* Purpose of financial statements
* Accounting assumptions
* Qualitative characteristics of financial information
* Elements of financial statements
* Measurement of elements
  1. **Topic 2 – Overview of auditing and audit environment.**
* Definition on audit
* Distinguish audit types
* History and development of independent audit in Vietnam and the World;
* Special function of external audit profession in national economy;
* Purpose of external audit engagements;
* Legal system on audit and audit firms operating in Vietnam;
* Vietnamese standards on auditing;
* International standards on auditing and Sarbanes and Oxley Act.
  1. **Topic 3 – Internal control system**
* Definition and concepts
* Elements and structure of internal control systems;
* The use and evaluation of internal control environment by auditors;
* The Sarbanes and Oxley Act
* Test of control and communication of internal control;
* Audit procedures
  1. **Topic 4: Audit plan**
* Explaining audit risk, nature of audit risk;
* Managing audit risk: materiality and understanding audit risk matrix;
* Analysing risks of material misstatements
* Filing of risk assessment
* Explaining the need for and importance of planning an audit;
* Describing overall audit strategy and audit plan;
* Explaining the difference between interim and final audit;
* Describing the impact of the work performed during the interim audit on the final audit;
* Describing the form and contents of working papers, audit documents and supporting documents;
* Keeping safe of custody and retention of working documents.
  1. **Topic 5: Audit evidence**
* Overview of audit evidence;
* Assertion of financial information;
* Appropriate and sufficient evidence;
* Substantive procedures;
* Audit sampling and other tools used in gathering audit evidence;
* Documentation of audit evidence
  1. **Topic 6 – Auditors’ reports**
* Purpose of auditors’ reports
* Types and structures of auditors’ reports;
* Auditors’ opinions;
* Writing other presentation of auditors;

1. **STUDY MATERIALS**
   1. **Textbook** 
      * **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;
      * **Textbook 3:** 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): General regulation,** issued by the Ministry of Finance [available on website]
  1. **References:**
     + Vietnamese standards on Auditing, Finance of Ministry, Finance Publishing House.
     + Arens A. A, Elder R.J., and M.S. Beasley (2012), Auditing and Assurance Services – An Intergrated Approach, Pearson Prentice Hall.
     + Auditing Division, Faculty of Accounting and Auditing, University of Economics HCMC (2014). Auditing – 6thEdition. UEH Publishing House.
     + Auditing Division, Faculty of Accounting and Auditing, University of Economics HCMC (2011), Auditing workbook – 2nd Edition. Labor-Society Publisher.

1. **Study assessment**
   1. **Score grading scale:**

The course grading scale is 10-point system, with ten being the highest and zero being the lowest.

* 1. **Kind of assessment:**

Multi-choice questions combined with discussion questions. The students do not allow to using study materials during the examination time.

* 1. **Method and conduct of assessment:**

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