

AUDITING FUNDAMENTALS LEVEL 1 MODULE 1

CORPORATE GOVERNANCE & AUDIT ENGAGEMENT STANDARDS

Duration: 33 hours

Course Overview:

This module provides a background of the managerial organization of the entities; the standards, role of the internal audit function within an organization; the auditor's role in critical thinking; standards and guidelines that govern the audit profession; and outlines the criteria by which auditors and their audit departments should be evaluated and measured; describes fraud and red flags of fraud.

OBJECTIVES

On completion of the module, participants should be able to:

Knowledge

- Define Corporate Governance
- Distinguish between Internal and External Audit using both government and nongovernment standards and expectations
- Outline the Internal Audit Function based on IIA Standard 1000
- Outline the rationale for the establishment and maintenance of standards
- Outline the basis for evaluating Internal Audit performance
- Identify the local and international regulatory bodies for Auditing
- Explain the Code of Ethics according to IIA and INTOSAI
- Outline the major tenets of the **INTOSAI Auditing Standards**
- Explain the Risk-Based Approach to Planning the Audit Assignment

Performance

- Apply national and international standards to the conduct of internal and external audits
- Act in accordance with the established tenets and standards of Internal Audit Charter
- Promote the entrenchment of an ethical culture in internal and external auditing
- Consistently apply the major tenets of the **INTOSAI Auditing Standards**
- Plan the Audit Assignment based on IIA Standard 2200
- Apply critical thinking skills to the conduct of auditing
- Take steps to promote fraud prevention, detection, investigation and reporting



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Attitude

- Appreciate the importance of adhering to the regulations and guidelines governing internal and external auditing procedures within government
- Appreciate the significance of adhering to established Auditing standards
- Appreciate the importance of establishing and maintaining a culture of ethics and professionalism in Auditing
- Appreciate the significance of planning in the effective execution of the Internal Audit

COURSE CONTENT:

- Overview of Corporate Governance
- Audit Engagement Standards
- Audit Standards
 - Purpose of Standards
 - Regulatory Bodies for Auditing
 - Code of Ethics (IIA and INTOSAI)
 - Introduction to IIA Auditing Standards
 - INTOSAI Auditing Standards
- The Risk-Based Approach to Planning the Audit Assignment
- Risk/Control Matrix
- Critical Thinking
- Introduction to Fraud

Suggested texts and websites

- CFE – www.acfe.com
- Critical thinking – www.criticalthinking.org
- INTOSAI Ethics and Standards
- IIA - The Professional Practices Framework
- GOJ - Internal Audit Manual

Supplementary Materials/Resources: www.theiia.org



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AUDITING FUNDAMENTALS LEVEL 1 MODULE 2

FIELD WORK AND AUDIT REPORTING PROCESS

Duration: 42 hours

Course Overview:

The module explains the fieldwork process to the participant, examining the standards governing audit fieldwork, gathering of information, good work paper practices (including cross-referencing), development of audit findings and how that intersects with the audit report writing process.

OBJECTIVES

On completion of this module, the participants should be able to:

Knowledge

- Outline the elements of Audit Fieldwork
- Examine the governing standards in audit fieldwork
- Discuss good working paper practices (including cross-referencing)
- Explain the five attributes in the development of audit observations
- Explain how the development of audit findings intersects with the audit report writing process
- Explain the value of good written communication and excellent writing skills to the audit function
- Identify common grammar, punctuation and sentence construction errors and other common writing problems
- Explain the importance of selecting the appropriate language, tone and style in reports

Performance

- Exercise all the elements of **Audit Fieldwork** in the execution of the whole auditing process
- Comply with governing standards in audit fieldwork
- Follow good working paper practices such as cross-referencing
- Observe conditions or operations
- Apply all the requisite working paper principles including completeness, accuracy, relevance, objectivity, neatness and cross referencing
- Retain and protect working papers
- Utilize all five attributes in audit observations
- Determine if appropriate action has been taken in regard to significant audit concerns and corrective actions reported in prior audits
- Draft documents with clarity, brevity and accuracy
- Eliminate jargon, redundancy, and the passive voice from written texts
- Proof-read written work ensuring that it is clear, concise, and free of grammatical errors



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- Produce professional reports that are accurate, comprehensive, organised and reader-oriented
- Prepare and present related graphical data in written document

Attitude

- Appreciate the importance of exercising sound professional judgement in the conduct of Audit Fieldwork
- Appreciate the need to adhere to established data gathering techniques in Audit processes
- Appreciate the importance of knowing the attributes of good audit observations
- Value the importance of developing effective reports as part of their commitment to their roles and responsibilities as professionals

COURSE CONTENT:

- Introduction to Audit Field Work
- Governing Standards
 - ISPPA 1200
 - ISPPA2300
- The Audit Fieldwork Process
- Development of Audit Observations
- Written Communication in the Modern Organisation
- The Report Writing Process

Text Reading: Sawyer's Internal Auditing by Lawrence B. Sawyer

Supplementary Materials/Resources: www.theiia.org; Sampling: A Guide for Internal Auditors by Barbara Apostolou; Clarity, Impact, Speed: Delivering Audit Reports that matter, Sally Cutler; Introduction to Auditing: Logic, Principles and Techniques by Richard L. Ratliff, Ph.D., CIA and Kurt F. Reding, Ph.D., CIA, CPA, CMA



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AUDITING FUNDAMENTALS LEVEL 1 MODULE 3

AUDITING FINANCIAL STATEMENTS

Duration: 30 hours

Course Overview:

This module provides a background of the international standards as it relates to financial statements, their purpose and content. The accrual and cash accounting concepts that co-exist throughout the GOJ environment and will be explained in this module.

OBJECTIVES

On completion of this module, the participants should be able to:

Knowledge

- State the definition for and purpose of financial statements
- Outline the details of governing standards
- Analyze Financial Statement Assertions
- Examine the impact of Risk on the Audit of the Financial Statements
- Outline the details of Audit Risk and its components
- Explain how Audit is to be conducted in light of the of the GoJ Budget Cycle
- Give a detailed overview of IFRS Financial Statements
- Give a detailed overview of the GoJ Financial Statement
- Detail the steps that must be taken to audit the financial statements

Performance

- Apply Governing Standards consistently in the preparation of audit documents
- Apply Financial Statement Assertions to audit reviews
- Prepare audit statement in keeping with the standards outline in ISA 300
- Prepare Audit Documentation for Financial Statement Audit
- Conduct the Audit in keeping with the expectations of the of the GoJ Budget Cycle
- Audit the GoJ Financial Statement in keeping with established standards
- Audit Financial Statements in keeping with established IFRS Standards
- Adhere to the standards and expectations of the GoJ Budget

Attitude

- Appreciate the importance of applying government standards in the preparation of audit documents
- Appreciate the importance of preparing Financial Statement in keeping with the GoJ Budget Cycle



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COURSE CONTENT:

- Financial Statements
- Governing Standards
- Financial Statement Assertions
- Audit Planning- Understanding Audit Risk and Financial Statements
- GoJ Budget Cycle
- Overview of IFRS Financial Statements
- Overview of GoJ Financial Statements
- Other Financial Statements

Suggested Text Reading:

- Relevant IFRS, ISA and IAS Standards
- ACCA – Financial Reporting Study Texts
- GOJ - Internal Audit Manual
- Sawyer's Internal Auditing by Lawrence B. Sawyer

Supplementary Materials/Resources: www.theiia.org; www.accaglobal.org