

- ii. obtain evidence in relation to payables and accruals, and
    - iii. the related income statement entries.
  - d. Bank and cash
    - i. bank confirmation reports used in obtaining evidence in relation to bank and cash
    - ii. other evidence, in relation to bank and cash, and
    - iii. the related income statement entries
  - e. Tangible non-current assets and non-current liabilities
    - i. evidence in relation to non-current assets and
    - ii. non-current liabilities and
    - iii. the related income statement entries
  - f. Share capital, reserves and directors' emoluments
    - i. evidence in relation to share capital, reserves and directors' emoluments, and
    - ii. the related income statement entries
- 4. Audit sampling and other means of testing
  - a. Define audit sampling and explain the need for sampling
  - b. identify and discuss the differences between statistical and non-statistical sampling
  - c. Discuss and provide relevant examples of, the application of the basic principles of statistical sampling and other selective testing procedure
  - d. Discuss the results of statistical sampling, including consideration of whether additional testing is required
- 5. Computer-assisted audit techniques
  - a. Explain the use of computer-assisted audit techniques in the context of an audit
  - b. Discuss and provide relevant examples of the use of test data and audit software for the transaction cycles and balances mentioned in sub-capability.
- 6. The work of others
  - a. Discuss the extent to which auditors are able to rely on the work of experts
  - b. Discuss the extent to which external auditors are able to rely on the work of internal audit
  - c. Discuss the audit considerations relating to entities using service organisations
  - d. Discuss why auditors rely on the work of others
  - e. Explain the extent to which reference to the work of others can be made in audit reports

7. Not-for-profit organisations
  - a. Apply audit techniques to not-for-profit organisations
  - b. Explain how the audit of not-for-profit organisations differs from the audit of for-profit organisations

## **F. Review**

1. Subsequent events
  - a. Explain the purpose of a subsequent events review
  - b. Discuss the procedures to be undertaken in performing a Subsequent events review
2. Going concern
  - a. Define and discuss the significance of the concept of going concern
  - b. Explain the importance of and the need for going concern reviews.
  - c. Explain the respective responsibilities of auditors and management regarding going concern
  - d. Discuss the procedures to be applied in performing going concern reviews
  - e. Discuss the disclosure requirements in relation to going concern issues.
  - f. Discuss the reporting implications of the findings of going concern reviews.
3. Written representations
  - a. Explain the purpose of and procedure for obtaining written representations
  - b. Discuss the quality and reliability of written representations as audit evidence
  - c. Discuss the circumstances where written representations are necessary and the matters on which representations are commonly obtained.
4. Audit finalization and the final review
  - a. Discuss the importance of the overall review of evidence obtained
  - b. Explain the significance of uncorrect misstatements
  - c. Evaluate the effect of dealing with uncorrected misstatements

## **G. Reporting**

1. Audit reports
  - a. Describe and analyse the format and content of unmodified audit reports.
  - b. Describe and analyse the format and content of modified audit reports.
2. Reports to management

- a. Identify and analyse internal control and system deficiencies and significant deficiencies and their potential effects, and make appropriate recommendations to management.
- 3. Internal audit reports
  - a. Describe and explain the format and content of internal audit review reports and other reports dealing with the enhancement of performance.
  - b. Explain the process for producing an internal audit report.

## PRACTICAL AUDITING II Syllabus

### A. Regulatory Environment

#### 1. Myanmar/International regulatory frameworks for audit and assurance services

- a. Explain the need for laws, regulations, standards and other guidance related services.
- b. Outline and explain the need for legal and professional framework including
  - i. public oversight to an audit and assurance practice.
  - ii. the role of audit committees and impact on audit and assurance practice.

#### 2. Money laundering

- a. Define money laundering.
- b. Explain how international efforts seek to combat money laundering.
- c. Explain the scope of criminal offences of money laundering and how professional accountants may be protected from criminal and civil liability.
- d. Explain the need for ethical guidance in this area.
- e. Describe how accountants meet their obligations to help prevent and detect money laundering including record keeping and reporting of suspicion to the appropriate regulatory body.
- f. Explain the importance of customer due diligence (CDD).
- g. Recognize potentially suspicious transactions and assess their impact on reporting duties.
- h. Describe, with reasons, the basic elements of an anti-money laundering program.

#### 3. Laws and regulations

- a. Compare and contrast the respective responsibilities of management and auditors concerning compliance with laws and regulations in an audit of financial statements.
- b. Describe the auditors considerations of compliance with laws and regulations and plan audit procedures when possible non-compliance is discovered.
- c. Discuss how and to whom non-compliance should be reported.
- d. Recognize when withdrawal from an engagement is necessary.

**B. Professional and Ethical Considerations****1. Code of Ethics for Professional Accountants**

- a. Explain the fundamental principles and the conceptual framework approach.
- b. Identify, evaluate and respond to threats to compliance with the fundamental principles.
- c. Discuss and evaluate the effectiveness of available safeguards.
- d. Recognize and advise on conflicts in the application of fundamental principles.

**2 Fraud and error**

- a. Define and clearly distinguish between the terms 'error', 'irregularity', 'fraud' and 'misstatement'.
- b. Compare and contrast the respective responsibilities of management and auditors for fraud and error.
- c. Describe the matters to be considered and procedures to be carried out to investigate actual and/or potential misstatements in a given situation.
- d. Explain how, why, when and to whom fraud and error should be reported and the circumstances in which an auditor should withdraw from an engagement.
- e. Discuss the current and possible future role of auditors in preventing, detecting and reporting error and fraud.

**3. Professional liability**

- a. Recognize circumstances in which professional accountants may have legal liability.
- b. Describe the factors to determine whether or not an auditor is negligent in given situations.
- c. Explain the other criteria for legal liability to be recognised (including 'due professional care' and 'proximity') and apply them to given situations.
- d. Compare and contrast liability to client with liability to third parties.
- e. Evaluate the practicability and effectiveness of ways in which liability may be restricted.
- f. Discuss liability limitation agreements.
- g. Discuss and appraise the principal causes of audit failure and other factors that contribute to the 'expectation gap' (e.g. responsibilities for fraud and error).
- h. Recommend ways in which the expectation gap might be bridged.