

# AUDITING

## FOR ACCOUNTING PROFESSION SYLLABUS - S6

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## FOREWORD

Rwanda Basic Education Board (REB) is honored to avail the Principles of Auditing Syllabus for the Professional Accounting Program. This syllabus serves as an official guide to teaching and learning of Auditing in the Accounting Program. It ensures consistency and coherence in the delivery of quality education for the Technician Accountant that the country deserves.

The Ministry of Education (MINEDUC), through Rwanda Basic Education Board (REB), has undertaken the task to introduce a professional accounting Program in the second cycle of secondary education. The underlying principle behind the introduction of this program is to ensure that the curriculum responds to the needs of the students, the society, and the labor market.

Auditing is one of the subjects of Competence Based Curriculum that contributes to shaping the students with the required knowledge, skills, attitudes, and values to produce well-trained Technician accountants at Secondary school level. High Quality Technician Accounting program is an important component of Finance and Economic development of the Rwanda Vision 2050, “*The Rwanda We Want*”, that aims at transforming the country’s socio-economic status. Only the qualified Technician accountant can significantly play a major role in this socio-economic transformation journey. Auditing subject covers the introduction to auditing, statutory audit and regulation, audit planning, audit execution, internal control system and auditor’s report to train a Technician Accountant capable of successfully performing his/her duties.

The ambition to develop a knowledge-based society and the growth of regional and global competition in the jobs market has necessitated adopting a competence-based syllabus. With the help of the teachers, whose role is central to the success of the syllabus, students will gain appropriate knowledge and skills and be able to apply what they have learned in real life situations. Hence they will make a difference not only to their own lives but also to the success of the nation.

I wish to extend my appreciation to the people who contributed to the development of this subject Auditing, particularly REB and its staff who organized the whole process from its inception. Special thanks/ appreciation goes to the development partners who supported the exercise throughout.

Any comments or contributions towards the improvement of this syllabus for the next edition are welcome.

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## **ACKNOWLEDGEMENT**

I wish to sincerely express my special appreciation to the people who played a key role in developing the principles of auditing syllabus. This activity would not have been successful without the support from different stakeholders.

I wish to sincerely express my appreciation to the people who contributed to the development of this syllabus until its completion. These are Institute of Certified Public Accountants of Rwanda (ICPAR), Rwanda Education Board (REB), Office of Auditor General (OAG), Allan & Gill Gray Philanthropy Rw, Educate!, Public and Private Universities, Public and Private secondary schools, Independent Consultant companies who availed their staff at various stages of the development process of this syllabus.

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# 1. GENERAL INTRODUCTION

## 1.1 Background on Introduction of the Accounting Profession Option in Secondary Schools

The National Strategy for Transformation (NST1) states that for Rwanda to become a Knowledge Based Economy, one of the key targets is to avail a competent and skilled workforce that is not only capable of making an impact in their various organizations, but also ensure an efficient and effective utilization of citizens' resources, thereby contributing to economic development and poverty eradication.

The Education Sector Strategic Plan (2018/19–2023/24) accommodates new thinking and policy directions that will support Rwanda's aspirations for transformation from a predominantly agrarian-based, low-income economy to an industrial upper middle-income nation by 2035. This vision is premised on the ability of Rwanda's education system to produce enough and appropriately skilled workforce capable of realizing this aspiration, as well as upgrading the skills and competencies of the existing workforce.

In this regard, a competency proficiency assessment indicated that most of the current Public Financial Management (PFM) staff in public entities do not have the required skills to achieve excellent performance in the PFM system necessary to move the country to the next level of becoming a middle-income country.

An analysis of approved organizational structures of public entities and subsidiary entities show that to achieve a critical mass of PFM staff across the PFM disciplines, the government requires to train over 10,000 staff to be employed in both the public and the subsidiary entities (MINECOFIN, 2018-2024, Public Financial Management Learning and Development Strategy). In response to this gap, the Ministry of Education in its Ministerial Order N° 002/MINEDUC/2021 of 20/10/2021 establishing the curriculum in general, professional, technical and vocational basic education, introduced the **Accounting Profession Option** under the management of Rwanda Basic Education Board (REB).

**The Accounting Profession Option** is being introduced to provide the support needed in accounting, with capacity to progress in different advanced accounting professions. This decision aims to meet the current and contextual accounting needs that are required to address the high demand to provide the accountant technicians at different levels of the accounting system, particularly in the community.

To implement the above-mentioned ministerial order, the **Principles of Auditing** syllabus is developed to help students in Accounting Profession option to become competent accountant technicians.

The motive of developing Principles of Auditing is to ensure that the syllabus is responsive to the needs of the student and to shift from objective and knowledge-based learning to competence-based learning. Emphasis in the development of this syllabus is put more on skills, competences and the coherence within the existing content by benchmarking with syllabi elsewhere with best practices.

The Principles of Auditing syllabus guides the interaction between the teacher and the students in the learning processes and highlights the competencies a student should acquire during and at the end of each learning unit.

Students will have the opportunity to apply Principles of Auditing and provide assurance and consulting services on internal control, financial statements, and compliance with rules and regulations for small entities, both public and private. In addition, teachers will help the students appreciate the relevance and benefits of studying this subject at an advanced level. This syllabus is prepared to be taught in seven periods a week in the Accounting Profession Option.

### **1.2 Accounting Profession Option leaver's profile**

Upon completion of upper secondary education in accounting, the student should have acquired the relevant knowledge, skills and attitudes to:

1. Prepare, analyse and interpret financial statements.
2. Apply the key features of the taxation system and compute tax liabilities.
3. Apply principles of Auditing.
4. Apply basic principles of Management accounting.
5. Act in accordance with the fundamental principles of personal and ethical behaviour.
6. Apply digital and data technologies relevant to finance activities.
7. Develop and maintain effective stakeholder relationships.
8. Manage human and financial resources effectively and efficiently.
9. Express themselves fluently with confidence in official languages.



10. Demonstrate appropriate civic and moral norms and values of the society.
11. Contribute to the development of the country through acquisition of financial, vocational, and entrepreneurial skills in the business development.
12. Demonstrate knowledge and skills required to progress to the next career path

## **2. TEACHING AND LEARNING PRINCIPLES OF AUDITING**

### **2.1. Rationale of teaching and learning Principles of Auditing**

#### **2.1.1. Auditing and society**

Audit plays a vital role in the ethical values and the value of society's judgments in relation to aspects to which the accountability rules should be applied. The audit value inside the accountability process transcends the compliance audit, embracing how management handles the resources efficiently and effectively. Auditing plays significant role in socio-economic transformation of society. In particular, a business can rely and depend on audited financial statements to make informed decisions.

Auditing is helpful for valuation and business settlement at the time of admission of a new partner, retirement, or death of a partner. This avoids the risk of any dispute in a firm, audited financial statement is the only way out for shareholders to judge the performance of the management of the company. For management, auditing can help detect frauds and prevent errors, keep the staff vigilant, insurance claim can be easily estimated from audited accounts, and management can take advantage of expert advice of Auditor in financial matters. The Government or Taxation authorities and all other Government authorities rely on audited financial statements; even the courts accept these as evidence when the situations call for.

The Creditors of an organization also rely on audited financial statements and accordingly grant credit limit to business entities. Therefore, audit plays a fundamental role in the communication process between the company and the users of the financial statements, accentuating the fact that the public considers the auditor their warranty. Auditing is observed as a fundamental tool to enhance transparency and accountability to different organizations i.e Government, NGOs, and businesses. This calls for the need for auditors in our society to help organizations achieve operational and strategic objectives. There is a continued need for more auditors in organizations to achieve their desired objectives. Training more accountants will help organizations have necessary resources that would help provide assurance and consulting services.

### 2.1.2. Auditing and students

Students need principles of auditing to be influential members of society, as it equips students with knowledge, skills, and attitudes necessary for the provision of assurance and consulting services on internal control. It enables the students to be systematic, creative, and self-confident in using an audit's ethical values and professional standards. Audit contributes to the students developing general competence and applying knowledge and skills in different situations by showing the ability to collaborate, reflect and apply critical thinking in an academic setting and professional practice.

## 2.2. Competencies

Competence is defined as the ability to perform a particular task successfully, resulting from having gained an appropriate combination of knowledge, skills, attitudes, and values. The principles of auditing syllabus allow students to develop different competences, including basic competences and generic competences. Basic competences are addressed in the stated broad subject competences and in key competences highlighted year on year basis and in each learning unit. The generic competences that must be emphasized and reflected in the learning process, are briefly described below and teachers will ensure that students are exposed to tasks that help them acquire the skills.

### 2.2.1. Generic Competences

**Critical and problem-solving skills:** Students use different techniques to collect audit evidence, design test of control and produce an appropriate audit report. The acquisition of such skills will help students to think critically and use their analytical skills to examine information, interpret it, and present innovative and alternative solutions to a problem.

**Creativity and innovation:** The acquisition of such skills will help students to take initiatives and use imagination beyond knowledge provided to generate new ideas and construct new concepts. Students improve these skills through substantive procedures-based works and skill lab activities in Auditing.

**Research:** This will help students to find answers to questions basing on existing information and concepts and to explain phenomena basing on findings from information gathered.

**Communication skills:** Students effectively communicate their findings through explanations, construction of arguments and drawing relevant conclusions/decisions. Teachers, irrespective of not being teachers of language, will ensure the proper use of the language of instruction by students which will help them communicate clearly and confidently and convey ideas effectively through speaking and writing and using the correct language structure and relevant vocabulary.

**Cooperation, inter personal management and life skills:** Students are engaged in cooperative learning groups to promote higher achievement than do competitive and individual work. This will help them cooperate with others as a team in whatever task assigned and practice positive ethical moral values and respect for the rights, feelings, and views of others.

**Lifelong learning:** The acquisition of such skills will help students update knowledge and skills with minimum external support and cope with evolution of knowledge for personal fulfillment in areas that need improvement and development.

### 2.2.2. Broad Auditing Competences

During and at the end of learning process, the student can:

1. Identify foundational concepts in audit
2. Plan for audit
3. Detect risks, errors and fraud in an organization
4. Design and implement audit procedures
5. Collect evidences
6. Apply audit execution
7. Evaluate internal control system
8. Apply computer Assisted Audit Technique
9. Demonstrate understanding of the audit report

### 2.2.3. Auditing and Developing Competences

The national policy documents based on national aspirations identify some ‘basic competences’ alongside the ‘Generic competences’ that will develop higher order thinking skills and help students learn subject content and promote application of acquired knowledge and skills.

Through substantive procedures, analytical procedures, applying and generalizing auditing ideas, and presentation of information during the learning process, the student will develop checking and controlling skills and acquire cooperation and communication, critical thinking, and problem-solving skills. This will be realized when students make presentations leading to interpretations and conclusions at the end of each learning unit. This will be achieved through group work and cooperative learning which in turn will promote interpersonal relations and teamwork. The acquired knowledge in learning Auditing should develop a responsible citizen who adapts to Empirical Reasoning and attitudes and develops confidence in Ethical Reasoning. The student should show concern for individual attitudes, environmental protection, and compliance with the legal audit standard. The legal standards of audit should be applied with the objectivity, professional competence, independence, confidentiality and intellectual honesty to promote critical thinking while systematically pursuing the line of thought. These lesson types of learning activities must focus on what the students are able to demonstrate as competence throughout and at the end of the learning process.

### **2.3. Pedagogical approach**

The change to a competence-based curriculum transforms learning, ensuring that learning is deep, enjoyable, and habit-forming. In order for secondary school Accounting students to develop 21<sup>st</sup> century skills and technical accounting skills, the pedagogical structure of skills lab is provided in the learning and teaching activities. Skills lab is an easy method to change teacher's pedagogy from theory-based to competency-based instruction. Skills lab ensures teachers are accountable for completing all the learning activities and projects outlined in the syllabus and it enables students to acquire real-life experiences. Students should engage in business clubs to guarantee that they practice real accounting profession.

#### **2.3.1. Role of the student**

In the competence-based curriculum, the student is the principal actor of his/her education. He/she is not an empty bottle to fill. Considering the initial capacities and abilities of the learner, the syllabus lists under each unit, suggested engaging activities for the student in the learning process.

The teaching learning processes will be tailored towards creating a student's friendly environment basing on the capabilities, needs, experience and interests. Therefore, the following are some of the roles or the expectations from the students:

- Students construct the knowledge either individually or in groups in an active way. From the learning theory, students move in their understanding from concrete through pictorial to abstract. Therefore, the opportunities should be given to students to manipulate concrete objects and to use models.

- Students are encouraged to use hand-held calculator. This stimulates Auditing as it is really used, both on job and in scientific applications. Frequent use of calculators can enhance students' understanding and mastering of arithmetic.
- Students work on one competence at a time in form of concrete units with specific learning objectives broken down into knowledge, skills, attitudes, and values.
- Students will be encouraged to do research and present their findings through group work activities.
- A student is cooperative: students work in heterogeneous groups to increase tolerance and understanding.
- Students are responsible for their own participation and ensure the effectiveness of their work.
- Students are encouraged to participate in the creation and the running of the Students Business Club (SBC) in which they will apply all the skills and knowledge got from various Accounting subjects.
- Help is sought from within the group and the teacher is asked for help only when the whole group agrees to ask a question. The students who learn at a faster pace may help others later on..
- Participants ensure the effective contribution of each member, through clear explanation and argumentation to improve the English literacy and to develop sense of responsibility and to increase the self-confidence, the public speech ability, etc.

### 2.3.2. Role of the teacher

In the competence-based curriculum, the teacher is a facilitator, organizer, advisor, a conflict solver, etc. He/she has to ensure that cross-cutting issues are addressed appropriately in teaching and learning process. The specific duties of the teacher in a competence-based approach are the following:

- He/she is a facilitator, his/her role is to provide opportunities for students to discuss problems that interest and challenge them and that, with appropriate effort, they can solve them. This requires an elaborated/prepared plan of activities, related learning materials and appropriate learning environment.
- He/she is an organizer: his/her role is to organize the students in the classroom or outside and engage them through participatory and interactive methods during the learning processes as individuals, in pairs or in groups. To ensure that the learning is personalized, active, participative, and co-operative, the teacher must identify the needs of the students, the nature of the learning to be done, and the means to shape learning experiences accordingly.
- He/she is an advisor: he/she provides counseling and guidance for students in need. He/she comforts and encourages students by valuing their contributions in the class activities. Since every learner is expected to have a viable business idea from Senior Four, for which he/she will develop its business plan and implement; teachers are encouraged to provide continuous coaching throughout the entire cycle.

- He/she is a conflict-solver: most of the competence-based activities are performed in groups. The members of a group may have problems such as attribution of tasks; they should find useful and constructive the intervention of the teacher as a unifying element.
- He/she is ethical and preaches by examples, being impartial, being a role-model, and caring for individual needs of students. Slow students and students with physical impairments are provided a special assistance through remedial activities or reinforcement activities. One should notice that this list is not exhaustive.

### **2.3.3. Special needs education and inclusive approach**

All Rwandans have the right to access education regardless of their different needs. The underpinnings of this provision would naturally hold that all citizens benefit from the same menu of educational programs. The possibility of this assumption is the focus of special needs education. The critical issue is that we have students who are totally different in their ways of living and learning. The difference can either be emotional, physical, sensory, and intellectual learning challenged traditionally known as mental retardation.

These students equally have the right to benefit from the free and compulsory basic education in the nearby ordinary/mainstream schools. Therefore, the schools' role is to enroll them and set strategies to provide relevant education to them. The teacher therefore is requested to consider each student's needs during teaching and learning process. Assessment strategies and conditions should also be standardized to the needs of these students. Detailed guidance for each category of students with special educational needs is provided for in the guidance for teachers.

### **2.4. Assessment approach**

Assessment is the process of evaluating the teaching and learning processes through collecting and interpreting evidence of individual student's progress in learning and to make a judgment about a student's achievements measured against defined standards. Assessment is an integral part of the teaching learning processes. In the competence-based curriculum assessment must also be competence-based; whereby a learner is given a complex situation related to his/her everyday life and asked to try to overcome the situation by applying what he/she learned.

Assessment will be organized at the following levels: Comprehensive assessment ( School-based assessment, District based assessment, National based assessment) and National examinations. The syllabus is assessed by a three-hour closed book examination. The pass mark is 50%.

### Weighting of items

Category of assessment	Level of assessment	Weight
Comprehensive assessment	School based assessment	10%
	District based assessment	
	National based assessment	
National examination	Practical assessment	30%
	Theoretical assessment	60%

#### 2.4.1. Structure and format of the examination

There will be one paper in Auditing subject. An examination of three (3) hours will be set and will consist three sections, “A”, “B” and “C”.

##### Section A

All questions in section “A” will be compulsory and will require clear and brief answers. This section will carry 40 marks. The questions will be set to give candidates the opportunity to read extensively and express informed, critical thinking, innovative and creative and relevant responses to issues relating to the overall learner’s level of knowledge, understanding and comprehension of the syllabus topics and objectives.

##### Section B

This section will be general in nature and require candidates to draw on their knowledge from across the syllabus while demonstrating an ability to explain, discuss, examine, apply, analyze, synthesize, evaluate, describe and show support for significant issues related to entrepreneurial activities. This section will carry 30 marks and learners will answer a given number of questions as instructed. The ability to convey a sustained and well thought out argument will be credited.

##### Section C

This section will be specific in nature and require candidates to draw on their knowledge from across the syllabus while demonstrating an ability to design, invent, produce, devise, develop, propose, generate, reconstruct, plan, and apply significant issues related to entrepreneurial activities. This section will carry 30 marks and learners will answer a given number of questions as instructed.

## 2.4.2. Types of Assessment

### a) **Formative Assessment**

Formative assessment helps to check the efficiency of the process of learning. It is done within the teaching/learning process. Continuous assessment involves formal and informal methods used by schools to check whether learning is taking place. When a teacher is planning his/her lesson, he/she should establish criteria for performance and behavior changes at the beginning of a unit. Then at the end of every unit, the teacher should ensure that all the students have mastered the stated key unit competences basing on the criteria stated, before going to the next unit. The teacher will assess how well each learner masters both the subject and the generic competences described in the syllabus and from this, the teacher will gain a picture of the all-round progress of the learner. The teacher will use one or a combination of the following: (a) Observation (b) pen and paper (c) oral questioning.

### b) **Summative assessment**

When assessment is used to record a judgment of a competence or performance of the learner, it serves a summative purpose. Summative assessment gives a picture of a student's competence or progress at any specific moment. The main purpose of summative assessment is to evaluate whether learning objectives have been achieved and use the results for the ranking or grading of students, for deciding on progression, selection into the next level of education, and certification. This assessment should have an integrative aspect whereby a student must be able to show mastery of all competences.

Comprehensive assessment average marks by grade (Senior 4 to Senior 5) will contribute 10% of the final national examination but will be progressively increased as teachers gain more experience and confidence in assessment techniques.

### c) **Accounting practical examination**

The purpose of practical assessment is to access, enter, edit accounting information, provide information on actual and expected costs, produce accounting documents and summary reports to meet requirements. Practical examination will test students' practical skills and techniques usually in computer laboratory or field settings. This examination requires a student to demonstrate his/her competences in accounting field. The assessment will be mainly on Sage line 100, Quick books, Micro soft Excel where the student will perform the tasks and save final report in folder to be submitted or send to specified email.



### **2.4.3. Record keeping**

This is gathering facts and evidence from assessment instruments and using them to judge the student's performance by assigning an indicator against the set criteria or standard. Whatever assessment procedures used shall generate data in the form of scores which will be carefully recorded and stored in a portfolio because they will contribute to remedial actions, for alternative instructional strategy and feed-back to the learner and to the parents to check the learning progress and to advice accordingly or to the final assessment of the students.

This portfolio is a folder (or binder or even a digital collection) containing the student's work as well as the student's evaluation of the strengths and weaknesses of the work. Portfolios reflect not only work produced (such as papers and assignments), but also it is a record of the activities undertaken over time as part of student learning. Besides, it will serve as a verification tool for each learner that he/she attended the whole learning before he/she undergoes the summative assessment for the subject.

### **2.4.4. Item writing in summative assessment**

With the objective of ensuring that all students undertaking the accounting qualification are able to become Certified Accounting Technicians (CATs); they shall be expected to attempt an ICPAR examinations, most preferably each time a student finishes each grade level i.e., S.4. and progressively to other levels. ICPAR examinations will be conducted three times in a year i.e., April, August, and December. Any ready student shall engage the institute to ensure exam registration is completed in good time – usually a month to the exam date.

## **2.5. Reporting to Parents**

The wider range of learning in the Competence-based curriculum means that it is necessary to think again about how to share students' progress with parents. A single mark is not sufficient to convey the different expectations of learning highlighted in learning objectives. The most helpful reporting is to share what students are doing well and where they need to improve.

In addition to the school report, student's portfolio containing students' results, behavior, and the report from a team of all concerned teachers about the progress of students will be shared to parents for them to provide feedback to the school administration.

## 2.6. Resources

### 2.6.1. Materials needed for implementation of this syllabus

The following list shows the main materials/equipment needed in the learning and teaching process:

- Materials needed in group work activities and presentations: Computers (Desktops & laptops) and projectors; Manilapapers and markers, flipcharts, manipulatives such as Number cards, graphs, number blocks, cubic dice, etc
- Materials needed in enhancing research skills: Text books and internet (the list of the text books to consult is given in the reference at the end of the syllabus and those books can be found in printed or digital copies).
- Materials needed to encourage the development of Auditing models: ICT tools such as scientific calculators, software/applications used in Auditing, etc.
- The technology used in teaching and learning of Auditing must be regarded as tools to enhance the teaching and learning process and not to replace teachers.

### 2.6.2. Human Resource

The effective implementation of this syllabus needs a joint collaboration of educators at all levels. Given the material requirements, teachers are expected to accomplish their noble role as stated above. On the other hand, school head teachers and directors of studies are required to make a follow-up and assess the teaching and learning of this subject due to their profiles in the schools. These combined efforts will ensure bright future careers and better students lives as well as the contemporary development of the country.

**The teacher of Auditing should have the following skills, values and qualities:**

- Engage students in a variety of learning activities
- Use multiple teaching and assessment methods, techniques and approaches.
- Adjust instruction to the level of the students
- Have creativity and innovation in the teaching and learning process.
- Be a good communicator and organizer.
- Be a guide/facilitator and a counsellor.

- Manifest passion and impartial love for students in the teaching and learning process.
- Link Auditing with other Subjects including in real-life situations, especially provide real life application of Auditing in relation to Financial management, Taxation, Financial Accounting and Entrepreneurship.
- Have a good master of the Auditing Content.
- Have good classroom management skills.

### 3. SYLLABUS UNITS

#### 3.1. Presentation of the structure of the Syllabus Units

Principles of Auditing is developed to be taught and learnt in the advanced level of secondary education, i.e. S6 respectively. It means that Principles of Auditing syllabus is developed for Professional Accounting Program. At every grade, the syllabus is structured in Topic Areas, sub-topic Areas and then further broken down into Units to promote the uniformity, effectiveness and efficiency of teaching and learning Auditing. The units have the following elements:

1. Units aligned with the Number of Periods.
2. Each Unit has a Key Unit Competence whose achievement is pursued by all teaching and learning activities undertaken by both the teacher and the students.
3. Each Key Competence of the unit is broken into three types of Learning objectives as follows:
  - a) *Type I*: Learning objectives relating to knowledge and understanding (*Type I* Learning objectives are also known as Lower Order Thinking Skills or LOTS)
  - b) *Type II* and *Type III*: These are learning objectives which relate to acquisition of skills, attitudes and values (*Type II* and *Type III* Learning objectives are also known as Higher Order Thinking Skills or HOTS) – These Learning Objectives are actually considered to be the ones targeted by the Competence Based Curriculum.
4. Each unit has a content which indicates the scope of coverage of what to be taught and learnt in line with stated learning objectives
5. Each unit suggests an on-exhaustive list of learning activities that are expected to engage, as much as possible, students in an interactive learning process (learner-centered and participatory approaches).
6. Finally, each unit is linked to other subjects, its assessment criteria, and the materials (or Resources) that are expected to be used in teaching and learning process.

The Principles of Auditing syllabus for Professional Accounting Program has 1 main topic area: Apply Principles of Auditing that is found in S6. This topic area is broken down into different units as follow: 14 units in Senior 6.

## 3.2. Secondary six

### 3.2.1. Key Competences at the end of Secondary Six Accounting

After completion of secondary 6, the Principles of Auditing syllabus will help the student to:

- Explain the fundamental concept in Auditing
- Comply the legal and professional standards required for an auditor
- Explain conditions for appointment of an auditor
- Comply the auditor's requirements
- Explain the auditor's responsibilities
- Comply auditor's regulation and professional ethics
- Execute audit planning and risk assessment
- Apply auditing procedures in sampling and gathering audit evidence
- Determine the form, content and extent of audit documentation
- Assess internal control system
- Design the test of control
- Demonstrate working knowledge in respect of performance of audit procedures
- Form audit judgement
- Produce an appropriate audit report

### 3.2.2. AUDITING UNITS FOR SENIOR SIX

<b>Subject: AUDITING</b>		<b>Senior 6</b>	<b>ACCOUNTING</b>	
<b>Topic Area:</b> Principles of Auditing		<b>Sub Topic:</b> Introduction to Auditing		
<b>Unit 1:</b> Fundamental Concepts in Audit			<b>No. of periods: 20</b>	
<b>Key Unit competence:</b> To be able to explain the fundamental concepts in auditing				
<b>Learning objectives</b>			<b>Content</b>	<b>Teaching / Learning Activities</b>
<b>Knowledge and understanding</b>	<b>Skills</b>	<b>Attitudes and values</b>		
Explain the meaning of key terms in audit  Explain the scope of audit	Interpret the meaning of audit key terms  Interpret different key terms applied in auditing  Describe the scope of audit	Use audit and assurance terms  Use different key terms applied in auditing	<b>Definition of key terms</b> – Audit – Assurance – Auditor – Auditing  <b>Scope of audit according to organizational policies and procedures</b>	In small groups, students brainstorm the meaning of key terms, principles and processes of an audit.  Brainstorming on scope of audit.
Explain objectives of auditing		Appreciate the objectives of auditing	<b>Objective of auditing:</b> – Primary objective – Secondary objective	In their learning teams, students discuss on objectives of auditing
Identify the advantages and disadvantages of audit	Describe advantages and disadvantages of audit	Appreciate the advantages and disadvantages of audit for different parties	<b>Advantages of audit:</b> – To shareholders – To employees – To the state – To management – To the third parties  <b>Disadvantages of audit</b>	Under the guidance of teacher, students discuss on advantages and disadvantages of audit

Identify the types of audit according to different classification	Explain types of audit	Choose types of audit that can be used according to different classification	<b>Types of audit according to:</b> <ul style="list-style-type: none"> <li>- Form of organization</li> <li>- Nature of work</li> <li>- Time factor (intervals of time)</li> <li>- Methods of approach</li> <li>- Public sector audit</li> </ul>	In their learning groups, students discuss on different types of audit
<p>Explain the investigation</p> <p>identify differences between audit and investigation</p> <p>Explain the Characteristics and reasons of investigation</p> <p>Explain the difference between audit and accounting</p> <p>Explain the benefits and limitations of an audit</p>	<p>Carry out the investigation</p> <p>Describe differences between audit and investigation</p> <p>Describe the Characteristics and reasons of investigation</p> <p>Describe differences between audit and accounting</p> <p>Describe the benefits and limitations of an audit</p>	<p>Recognize the importance of investigation</p> <p>Recognize the benefits and limitations of an audit within an organization.</p>	<p><b>Investigation</b></p> <ul style="list-style-type: none"> <li>- Meaning of investigation</li> <li>- Difference between audit and investigation</li> <li>- Characteristics and reasons of investigations</li> </ul> <p><b>Differences between audit and accounting</b></p> <p><b>Benefits and limitations of an audit</b></p>	<p>Brainstorming on meaning of investigation</p> <p>Under guidance of a teacher, students in their learning groups will discuss the difference between audit and investigation and the differences between audit and accounting.</p> <p><b>Skills lab:</b> Using two students, one being as an accountant and another as an auditor. Pairs exchange roles as the teacher supports accordingly. Let students present their view on how audit is important in a given company or organization.</p>

**Assessment criteria:** Can explain the fundamental concepts in auditing

**Link to other subjects:** *Financial accounting, Management Accounting, Entrepreneurship, taxation.*

**Resources:** Internet, Reference books, Paper, Pen, Marker, flip Chart, Computer, Projector, Black Board, chalk

<b>Subject: AUDITING</b>		<b>Senior 6</b>		<b>ACCOUNTING</b>	
<b>Topic Area:</b> Principles of auditing		<b>Sub Topic:</b> Introduction to auditing			
<b>Unit 2:</b> Legal and professional requirements				<b>No. of periods: 10</b>	
<b>Key Unit competence:</b> To be able to describe the legal and professional standards required for an auditor					
<b>Learning objectives</b>			<b>Content</b>	<b>Teaching / Learning Activities</b>	
<b>Knowledge and understanding</b>	<b>Skills</b>	<b>Attitudes and values</b>			
Identify International Standards on Auditing  Explain the ethical duties of auditors according to International Standards on Auditing	Use of international standards on auditing in audit assignement  Describe the ethical duties of auditor according to international standards of auditing	Recognize the importance of Complying with international standards on auditing  Comply with ethical duties of auditor	<b>International Standards on Auditing</b>  <b>Ethical duties of auditors according to international standards on auditing</b>	Oral presentation on international standards on auditing  Group discussion on ethical duties of auditors, their obligations and rights.	



<p>Explain the duties, obligations and rights of an auditor</p> <p>Define auditor's liabilities</p> <p>Identify types of auditor's liability</p> <p>Explain the difference between civil liability and criminal liability</p> <p>Identify sources of Legal Liability for an Auditor</p>	<p>Describe the duties, obligations and rights of an auditor.</p> <p>Explain auditor's liabilities</p> <p>Differentiate between civil liability and criminal liability</p> <p>Explain sources of Legal Liability for an Auditor</p>	<p>Recognize the duties, obligations and rights of an auditor.</p> <p>Assess auditor's liabilities</p> <p>Recognize the sources of legal liability for an Auditor</p>	<p><b>Auditors of the company</b></p> <p>– Duties, obligations and rights of an auditor</p> <p><b>Auditor's liabilities</b></p> <p>– Types of auditor's liability:</p> <ul style="list-style-type: none"> <li>• Civil liability</li> <li>• Criminal liability</li> </ul> <p><b>Difference between civil liability and criminal liability</b></p> <p><b>Sources of Legal Liability for an Auditor:</b></p> <ul style="list-style-type: none"> <li>– The Legal Liability of Auditors to Third Parties</li> <li>– Unjustified Lawsuits</li> <li>– Successful Lawsuits Against Auditors</li> </ul>	<p>Brainstorming on auditor's liabilities</p> <p>Group discussion on types of auditor's liability</p> <p>In their learning teams, students discuss on difference between civil liability and criminal liability</p> <p>In their learning teams, students discuss on sources of legal liability for an Auditor.</p>
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**Assessment criteria:** Can explain the legal and professional standards required for an auditor

**Link to other subjects:** *Financial accounting, Management Accounting, Entrepreneurship, taxation.*

**Resources:** Internet, Reference books, Paper, Pen, Marker, flip Chart, Computer, Projector, Black Board, chalk

<b>Subject: AUDITING</b>		<b>Senior 6</b>		<b>ACCOUNTING</b>	
<b>Topic Area:</b> Principles of auditing		<b>Sub Topic:</b> Statutory audit and regulation			
<b>Unit 3:</b> Auditor appointment				No. of periods: 10	
<b>Key Unit competence:</b> To be able to describe the procedures for auditor's appointment					
<b>Learning objectives</b>			<b>Content</b>	<b>Teaching / Learning Activities</b>	
<b>Knowledge and understanding</b>	<b>Skills</b>	<b>Attitudes and values</b>			
Explain the appointment procedures of an auditor	Describe the auditors' appointment procedures	Appreciate the importance of observing the procedures before auditors' appointment	<b>Appointment procedures of an auditor</b>  <b>Acceptance procedures</b>  <b>Procedures after accepting nomination</b>	Oral presentation on appointment procedures of an auditor.	
Explain the acceptance procedures	Describe the acceptance procedures			Under guidance of teacher, students describe the procedures of appointment of an auditor	
Explain the Procedures after accepting nomination	Describe the Procedures after accepting nomination			Under guidance of the teacher, students in their learning teams, discuss on acceptance procedures	
Identify the terms of engagement	Explain the terms of engagement		<b>Agreeing the terms of engagement:</b> – Precondition for an audit – Engagement letter	Under guidance of teacher, student in their learning teams, discuss on the agreeing terms of engagement	
<b>Assessment criteria:</b> Can explain procedures for appointment of an auditor					
<b>Link to other subjects:</b> Financial accounting, Management Accounting, Entrepreneurship, taxation.					
<b>Resources:</b> Internet, Reference books, Paper, Pen, Marker, flip Chart, Computer, Projector, Black Board, chalk					

<b>Subject: AUDITING</b>		<b>Senior 6</b>		<b>ACCOUNTING</b>	
<b>Topic Area:</b> Principles of auditing		<b>Sub Topic:</b> Statutory audit and regulation			
<b>Unit 4:</b> Auditor's requirements				No. of periods: 10	
<b>Key Unit competence:</b> To be able to describe the auditor's requirements					
<b>Learning objectives</b>			<b>Content</b>	<b>Teaching / Learning Activities</b>	
<b>Knowledge and understanding</b>	<b>Skills</b>	<b>Attitudes and values</b>			
Explain the qualification of an auditor	Describe the qualification of an auditor	Assess the qualification of an auditor	<b>Qualification of an auditor</b>	Under guidance of a teacher, students in their learning teams, discuss on the qualification and disqualification of an auditor.	
Explain the reason for disqualification of an auditor	Describe the reasons for disqualification of an auditor	Assess the disqualification of an auditor	<b>Disqualification of an auditor</b>		
Identify the rights of an auditor  Explain the rights of an auditor	Describe the rights of an auditor	Recognize the rights of an auditor during audit assignment	<b>The rights of an auditor</b>	Under guidance of teacher, students in their learning teams, discuss on the rights of an auditor.	
Explain the reasons on removal of an auditor	Describe the reasons for auditors' removal	Recognise the reasons for removal of an auditor	<b>Removal of an auditor</b>	Under guidance of teacher, students in their learning teams, discuss on the removal of an auditor.	
<b>Assessment criteria:</b> Can explain the auditor's requirements					
<b>Link to other subjects:</b> <i>Financial accounting, Management Accounting, Entrepreneurship, taxation.</i>					
<b>Resources:</b> Internet, Reference books, Paper, Pen, Marker, flip Chart, Computer, Projector, Black Board, chalk					

<b>Subject: AUDITING</b>		<b>Senior 6</b>	<b>ACCOUNTING</b>	
<b>Topic Area:</b> Principles of auditing		<b>Sub Topic:</b> Statutory audit and regulation		
<b>Unit 5:</b> Auditor's responsibilities			No. of periods: 20	
<b>Key Unit competence:</b> To be able to exhibit the auditor's responsibilities				
<b>Learning objectives</b>			<b>Content</b>	<b>Teaching / Learning Activities</b>
<b>Knowledge and understanding</b>	<b>Skills</b>	<b>Attitudes and values</b>		
Explain the legal responsibilities of an auditor	Describe the legal responsibilities of an auditor	Evaluate the legal responsibilities of an auditor	<b>Legal responsibilities of an auditor</b>	Oral presentation on the legal responsibilities of an auditor.
Explain the duties of an auditor	Describe the duties of an auditor	Recognize the importance of auditor's duties	<b>The duties of an auditor</b>	In their learning teams, students discuss the duties of an auditor.
Identify the auditors' responsibility in relation to fraud	Describe the auditors' responsibility in relation to fraud	Recognize the auditors' responsibility in relation to fraud	<b>Auditors' responsibility in relation to fraud</b>	In small groups, students discuss the responsibilities of an auditor in relation to fraud.
Identify the types of errors and fraud	Explain the types of errors and fraud  Differentiate between errors and fraud	Recognize types of errors and fraud and their causes	<b>Types of errors and frauds</b>	In their learning teams, students discuss on the types of errors and fraud and their causes.  <b>Skills lab:</b> In their learning teams, students receive accounting documents containing errors, apply techniques to correct them, and discuss how to prevent them.
<b>Assessment criteria:</b> Can explain the auditors' responsibilities				
<b>Link to other subjects:</b> Financial Accounting, Management Accounting, Entrepreneurship, taxation.				
<b>Resources:</b> Internet, Reference books, Paper, Pen, Marker, flip Chart, Computer, Projector, Black Board, chalk				

<b>Subject: AUDITING</b>		<b>Senior 6</b>		<b>ACCOUNTING</b>	
<b>Topic Area:</b> Principles of Auditing		<b>Sub Topic:</b> Statutory audit and regulation			
<b>Unit 6:</b> Auditors' regulations and ethics				<b>No. of periods: 28</b>	
<b>Key Unit competence:</b> To be able to comply with auditor's regulation and professional ethics					
<b>Learning objectives</b>			<b>Content</b>	<b>Teaching / Learning Activities</b>	
<b>Knowledge and understanding</b>	<b>Skills</b>	<b>Attitudes and values</b>			
Identify the role of IAASB in establishing the auditing standards  Identify the types of ISAs  Explain the regulation of auditors	Explain the role of IAASB  Explain the application of ISAs  Use regulation of auditors accordingly	Recognize the role of IAASB  Appreciate the importance of ISAs in audit assignment  Recognize the need for compliance with auditors' regulation.	<b>The role of International Auditing and Assurance Standards Board (IAASB) in establishing the auditing standards</b>  <b>International Standards on Auditing (ISAs)</b>  <b>The regulation of auditors</b> – Code of ethics – International standards on audit – Company law – Government law	Students brainstorm the role of IAASB in establishing the auditing standards  In small groups, students summarize the ISAs and make presentations.  In small groups, students will make presentations on regulation of auditors	

Explain the fundamental principles of auditing as per IESBA	Describe the fundamental principles of auditing as per IESBA		<b>International Ethics Standards Board for Accountant (IESBA) code of ethics.</b>  <b>The fundamental principles of auditing</b>	Under guidance of teacher, student in their learning teams, discuss on the fundamental principles of auditing
Explain the professional duty of confidentiality		Appreciate the need to comply with ethical principle of confidentiality in audit assignment	<b>The professional duty of confidentiality</b>	Under guidance of teacher, students in their learning teams, discuss on the professional duty of confidentiality

**Assessment criteria:** Can be able to explain the auditor's regulation and professional ethics

**Link to other subjects:** *Financial Accounting, Management Accounting, Entrepreneurship, taxation.*

**Resources:** Internet, Reference books, Paper, Pen, Marker, flip Chart, Computer, Projector, Black Board, chalk

<b>Subject: AUDITING</b>		<b>Senior 6</b>		<b>ACCOUNTING</b>	
<b>Topic Area:</b> Principles of auditing		<b>Sub Topic:</b> Audit planning and risk assessment			
<b>Unit 7:</b> Audit planning				<b>No. of periods: 29</b>	
<b>Key Unit competence:</b> To be able to execute audit planning and risk assessment					
<b>Learning objectives</b>			<b>Content</b>	<b>Teaching / Learning Activities</b>	
<b>Knowledge and understanding</b>	<b>Skills</b>	<b>Attitudes and values</b>			
Explain the audit planning	Describe the audit planning	Recognize the importance of audit planning	<b>Meaning of audit planning</b> <b>Objectives of audit planning</b>	Brainstorming on audit planning	
Explain the objectives of audit planning	Describe the objectives of audit planning			Under guidance of teacher, students in their learning teams, discuss on the importance of planning	
Explain audit strategy and audit plan	Apply audit planning strategy		<b>Audit planning strategy</b>	Under guidance of teacher, students in their learning teams, discuss on the audit strategy and audit plan	
Explain what is materiality in audit	Interpret audit materiality	Use materiality concept in audit	<b>Materiality concept in audit</b>	Brainstorming on meaning of audit materiality	
Explain methods of calculating materiality	Analyze materiality in audit	Demonstrate methods of calculating materiality	<b>Methods of calculating materiality:</b> – Single-rule methods – Variable-size method	Under the guidance of the teacher, students in their learning groups discuss methods used to calculate	

<p>Explain the difference between materiality in governmental auditing and in private sector</p> <p>Explain the role of materiality in auditing</p>	<p>Explain the difference between materiality in governmental auditing and materiality in private sector</p> <p>Analyze the role of materiality in auditing</p>	<p>Compare the materiality in governmental auditing and materiality in private sector</p> <p>Appreciate the role of materiality in auditing</p>	<p><b>Differentiate:</b></p> <ul style="list-style-type: none"> <li>- Materiality in governmental auditing</li> <li>- Materiality in private sector</li> </ul> <p>Role of materiality in auditing</p>	<p>Group discussion on difference between materiality in governmental auditing and materiality in private sector</p> <p>Brainstorming on role of materiality in auditing</p>
<p>Describe the entity and its environment through:</p> <ul style="list-style-type: none"> <li>- Who?</li> <li>- Why?</li> <li>- What?</li> <li>- When?</li> <li>- How?</li> </ul>	<p>Analyze the entity and its environment</p>	<p>Recognize the need to understand the entity and its environment in audit.</p>	<p><b>Understanding the entity and its environment:</b></p> <ul style="list-style-type: none"> <li>- Who?</li> <li>- Why?</li> <li>- What?</li> <li>- When?</li> <li>- How?</li> </ul>	<p>Under guidance of teacher, students in their learning teams discuss the importance of understanding the entity and its environment in audit.</p>



Define audit risk	Assess the audit risk	Recognize the need to assess the audit risk	<b>Audit risk</b> – Types of audit risk:	Brainstorming on meaning of audit risk
Explain types of audit risk	Demonstrate the calculation of Audit Risks	Judge on audit Risks calculated	• Inherent risks,	Brainstorming on types of audit risk
Explain model and Calculation of Audit Risks	Demonstrate how to assess the risk of material misstatement	Assess the risk of material misstatement	• Control Risks and	Present the model and calculation of audit risk
Explain how to assess the risk of material misstatement	Demonstrate how to respond to risk assessed	Respond to risk assessed	• Detection Risks.	<b>Skills lab:</b> students in their learning teams perform exercises about model calculation of audit risk and describes how the risk can be managed
Explain how to respond risk assessed	Describe the limitations of audit planning	Recognize the limitations of audit planning	<b>Model and Calculation of Audit Risks</b>	Students in their learning teams perform on the assessment of risk in audit planning.
Explain the limitations of audit planning			<b>Assessing the risk of material misstatement</b>	Students in their learning teams, discuss on how to respond risk assessed.
			<b>Responding to risk assessment</b>	
			<b>Limitations of audit planning</b>	

**Assessment criteria:** Can execute audit planning and risk assessment

**Link to other subjects:** Financial accounting, Management Accounting, Entrepreneurship, taxation.

**Resources:** Internet, Reference books, Paper, Pen, Marker, flip Chart, Computer, Projector, Black Board, chalk

<b>Subject: AUDITING</b>			<b>Senior 6</b>	<b>ACCOUNTING</b>
<b>Topic Area:</b> Principles of Auditing			<b>Sub Topic:</b> Audit execution	
<b>Unit 8:</b> Audit evidence and sampling				<b>No. of periods:</b> 30
<b>Key Unit competence:</b> To be able to explain the auditing procedures in sampling and gathering audit evidence				
<b>Learning objectives</b>			<b>Content</b>	<b>Teaching / Learning Activities</b>
<b>Knowledge and understanding</b>	<b>Skills</b>	<b>Attitudes and values</b>		
Explain the audit execution	Interpret audit execution	Recognize of audit execution	<b>Meaning of audit execution</b>  <b>Steps of audit execution</b>  <b>Audit procedures</b>	Oral presentation of audit execution  <b>Skills lab:</b> Under the teacher's supervision, students in their learning teams discuss the steps of audit execution then each team present their findings to the whole class.
Identify the steps of audit execution	Explain the steps of audit execution	Appreciate the steps of audit execution		<b>Skills lab:</b> Under the teacher's supervision, students receive accountings documents then apply procedures of audit execution in groups.
Explain the audit procedures	Describe the audit procedures	Appreciate the relevance of audit procedures		
Explain the audit evidence	Explain what constitute audit evidence	Recognize the importance of evidence in audit	<b>Audit evidence</b>	Oral presentation of audit evidence
Explain the qualities of audit evidence	Describe the qualities of audit evidence	Appreciate the qualities of audit evidence	<b>Qualities of audit evidence</b>	Oral presentation on qualities of audit evidence  <b>Skills lab:</b> Under guidance of teacher, students in their learning teams, discuss on the qualities of audit evidence

Identify the types of audit evidence	Explain the types of audit evidence	Appreciate the types of audit evidence	<b>Types of audit evidence</b> – Internal evidence – External evidence	<b>Skills lab:</b> Under guidance of teacher, student in their learning teams, discuss on the types of audit evidence
Explain the techniques of gathering audit evidence	Collect audit evidence		<b>Techniques of gathering audit evidence (ISA500)</b>	<b>Skills lab:</b> under the supervision of the teacher, students in their learning teams discuss about the techniques of audit evidence then each team present their findings to the whole class.
Explain the Audit Sampling  Explain the purpose of audit sampling  Explain the audit sampling techniques  Explain sampling risk and non-sampling risk  Identify the factors affecting the sample size  Explain the Computer –assisted audit techniques (CAATs)	Describe the audit sampling  Explain the purpose of audit sampling  Describe the audit sampling techniques  Explain sampling risk and non-sampling risk  Determine the sample size	Recognize the need for sampling in audit  Use audit sampling techniques  Recognize the factors affecting sample size  Appreciate the use of CAATs in audit assignment.	<b>Audit Sampling</b>  <b>Purpose of audit sampling</b>  <b>Audit sampling procedures or techniques</b>  <b>Sample size:</b> – Sampling risk – Non- sampling risk  <b>Risk and sample size</b>  <b>Factors affecting sample size</b>	Brainstorming on meaning of audit sampling  students in their learning teams discuss about the purpose of audit sampling  <b>Skills lab:</b> under the supervision of teacher, students receive accounting documents then apply procedure of sampling  oral presentation on sampling risk  <b>Skills lab:</b> under the supervision of the teacher, students in their learning groups perform an exercise about sampling risk and non- sampling risk  in their learning group, students discuss on the factors affecting sample size  Students, under guidance of teacher discuss on the advantages and disadvantages of CAATs

<p>Identify the advantages and disadvantages of CAATs</p> <p>Explain the benefits and difficulties of audit software</p> <p>Explain test data</p>	<p>Explain the factors affecting sample size</p> <p>Describe the computer – assisted audit techniques (CAATs)</p> <p>Explain the advantages and disadvantages of CAATs</p> <p>Explain the benefits and difficulties of audit software</p> <p>Interpret the test data</p>	<p>Describe the test data</p>	<p><b>Audit in an IT environment:</b></p> <p><b>Computer – assisted audit techniques(CAATs)</b></p> <p><b>Advantages and disadvantages of CAATs</b></p> <p><b>Meaning of Audit software, its benefits and difficulties</b></p> <p><b>Test data</b></p>	<p>students, under guidance of teacher discuss on the benefits and difficulties of audit software</p> <p>brainstorming on the meaning of test data then after they discuss on its benefits and problems</p>
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**Assessment criteria:** Can apply auditing procedures in sampling and gathering audit evidence

**Link to other subjects:** *Financial Accounting, Management Accounting, Entrepreneurship, taxation.*

**Resources:** Internet, Reference books, Paper, Pen, Marker, flip Chart, Computer, Projector, Black Board, chalk

<b>Subject: AUDITING</b>		<b>Senior 6</b>	<b>ACCOUNTING</b>	
<b>Topic Area:</b> Principles of Auditing		<b>Sub Topic:</b> Audit execution		
<b>Unit 9:</b> Audit documentation			<b>No. of periods: 13</b>	
<b>Key Unit competence:</b> To be able to evaluate the form, content and extent of audit documentation				
<b>Learning objectives</b>			<b>Content</b>	<b>Teaching / Learning Activities</b>
<b>Knowledge and understanding</b>	<b>Skills</b>	<b>Attitudes and values</b>		
Explain the audit documentation	Describe the audit documentation	Appreciate the importance of audit documentation	<b>Meaning of audit documentation</b>	Brainstorming on meaning of audit documentation
Identify the objective of audit documentation	Evaluate audit documentation	Illustrate the form and content of working papers.	<b>The objective of audit documentation</b>	Under the guidance of a teacher, the students in their learning groups discuss on objectives of audit documentation
Explain the form and content of working papers.	Describe the form and content of working papers.		<b>Form and content of working papers.</b>	<b>Skills lab:</b> Under the guidance of a teacher, the students in their learning groups are facilitated to design appropriate working papers showing all the required information as required per international standards on auditing
Explain Permanent audit files and Current audit files	Differentiate Permanent audit files and Current audit files	Appreciate the importance of audit file and audit note book	<b>Audit file:</b> – Permanent audit files – Current audit files	<b>Skills lab:</b> In their learning team, with guidance of their teacher, students will discuss on the difference between Permanent audit files and Current audit files, and discuss and prepare the audit note book.
Explain audit note book and its content	Prepare an audit note book		<b>Audit note book</b>	
<b>Assessment criteria:</b> Can explain and evaluate the form, content and extent of audit documentation				
<b>Link to other subjects:</b> Financial Accounting, Management Accounting, Entrepreneurship, taxation.				
<b>Resources:</b> Internet, Reference books, Paper, Pen, Marker, flip Chart, Computer, Projector, Black Board, chalk				

<b>Subject: AUDITING</b>		<b>Senior 6</b>		<b>ACCOUNTING</b>	
<b>Topic Area:</b> Principles of auditing			<b>Sub Topic:</b> internal control system		
<b>Unit 10:</b> Internal control system				No. of periods: 20	
<b>Key Unit competence:</b> To be able to evaluate internal control system					
<b>Learning objectives</b>					
<b>Knowledge and understanding</b>		<b>Skills</b>	<b>Attitudes and values</b>	<b>Content</b>	<b>Teaching / Learning Activities</b>
Explain the internal control systems		Describe the internal control systems	Appreciate the importance of controls in achieving organization's objectives	<b>Meaning of internal control systems</b>	Brainstorming on internal control system
Explain the features of information systems and internal control  Explain the elements of internal control		Describe the features of information systems and internal control  Explain the elements of internal control	Recognize the main elements to evaluate the effectiveness of internal controls	<b>Features of information systems and internal control</b>  <b>Elements of internal control (COSO framework):</b> <ul style="list-style-type: none"> <li>- Control environment</li> <li>- Entity's risk assessment process</li> <li>- Information system relevant to financial reporting</li> <li>- Control activities</li> <li>- Monitoring of controls</li> </ul>	Oral presentation on features of information systems and internal control  <b>Skills lab:</b> Under guidance of teacher, student in their learning teams, discuss on elements of internal controls from a case study

Explain how to assess information systems and internal control	Describe the assessment of information systems and internal control	Appreciate the assessment of information systems and internal control	<b>Assessment of information systems and internal control:</b> – Accounting systems and the control environment – Test of control	<b>Skills lab:</b> Under guidance of teacher, student in their learning teams, discuss on the assessment of information systems and internal control
Explain methods used to record or evaluate accounting and control systems (Narrative notes, Flowcharts, questionnaires)	Evaluate methods used to record or evaluate accounting and control systems (Narrative notes, Flowcharts, questionnaires)	Appreciate the methods used to record or evaluate accounting and control systems (Narrative notes, Flowcharts, questionnaires)	<b>Recording of information systems and internal control:</b> – Narrative notes – Flowcharts – Questionnaires (Internal control questionnaires and internal control evaluation questionnaires)	<b>Skills lab:</b> under the supervision of the teacher, students in their learning teams discuss about methods used to record or evaluate accounting and control systems
Explain the communication with management during the audit  Explain controls activities, limitation and benefits of controls	Analyze the communication with management during the audit activities  Describe controls activities, limitation and benefits of controls	Use communication with management during the audit activities  Recognize the need for control activities within an organization, their benefits and limitations.	<b>Communication with the management:</b> – Communication with the management during the audit – Communication with those charged with governance – Communication on internal control  <b>Control Activities, limitations and benefits of internal controls</b>	<b>Skills lab:</b> under the supervision of teacher, students in their learning teams role playing the communications with management, where one group play as management another as auditor.  In a small group, students discuss the control activities, their benefits and limitation from case studies
<b>Assessment criteria:</b> Can evaluate and improve internal control system				
<b>Link to other subjects:</b> Financial accounting, Management Accounting, Entrepreneurship, taxation.				
<b>Resources:</b> Internet, Reference books, Paper, Pen, Marker, flip Chart, Computer, Projector, Black Board, chalk				

<b>Subject: AUDITING</b>		<b>Senior 6</b>	<b>ACCOUNTING</b>	
<b>Topic Area:</b> Principles of auditing		<b>Sub Topic:</b> internal control system		
<b>Unit 11:</b> Tests of controls			<b>No. of periods: 21</b>	
<b>Key Unit competence:</b> To be able to describe the characteristics of effective accounting systems in tests of controls.				
<b>Learning objectives</b>			<b>Content</b>	<b>Teaching / Learning Activities</b>
<b>Knowledge and understanding</b>	<b>Skills</b>	<b>Attitudes and values</b>		
Identify the control objectives of sales system  Explain the control activities of sales system  Explain test controls of sales system	Set out the control objectives of sales system  Set out the control activities of sales system  Describe tests controls of sales system	Recognize the importance of accounting systems within an organization	<b>Sales system</b> – Control objectives – Control activities – Tests of controls	<b>Skills lab:</b> Students in their learning teams apply tests of control activities that could be used to satisfy these assertions: – Occurrence and existence – Completeness – Accuracy – Cut-off – Classification.  Students in their learning teams, discuss on sales system based on: – Selling (authorization) – Goods outwards – Accounting (recording and valuation)



<p>Identify the control objectives of purchase system</p> <p>Explain the control activities of purchase system</p> <p>Explain tests of controls of purchase system</p>	<p>Set out the control objectives of purchase system</p> <p>Set out the control activities of purchase system</p> <p>Describe tests controls of purchase system</p>		<p><b>Purchases system:</b></p> <ul style="list-style-type: none"> <li>- Control objectives</li> <li>- Control activities</li> <li>- Tests of controls</li> </ul>	<p><b>Skills lab:</b> Under guidance of teacher, student in their learning teams, discuss on activities of test controls on purchases:</p> <p>Buying(authorization)</p> <p>Goods inward(customs)</p> <p>Accounting(recording)</p>
<p>Identify the control objectives of payroll system</p> <p>Explain the control activities of payroll system</p> <p>Explain tests controls of payroll system</p>	<p>Set out the control objectives of payroll system</p> <p>Set out the control activities of payroll system</p> <p>Describe tests controls of payroll system</p>		<p><b>Payroll system:</b></p> <ul style="list-style-type: none"> <li>- Control objectives</li> <li>- Control activities</li> <li>- Tests of controls</li> </ul>	<p><b>Skills lab:</b> Under guidance of teacher, students in their learning teams receive a payroll then after examining if salaries of the client's employees were fixed following laws and regulations.</p>
<p>Identify the control objectives of inventory system</p> <p>Explain the control activities of inventory system</p> <p>Explain tests controls of inventory system</p>	<p>Set out the control objectives of inventory system</p> <p>Set out the control activities of inventory system</p> <p>Describe test controls of inventory system</p>		<p><b>Inventory system:</b></p> <ul style="list-style-type: none"> <li>- Control objectives</li> <li>- Control activities</li> <li>- Tests controls</li> </ul>	<p><b>Skills lab:</b> Under guidance of teacher, students in their learning teams act as auditor of school and test how inventory movements are recorded and how inventory is secured.</p>

<p>Identify the control objectives of non-current asset system</p> <p>Explain the control activities of non-current asset system</p> <p>Explain tests controls of non-current asset system</p>	<p>Set out the control objectives of non-current system</p> <p>Set out the control activities of non-current system</p> <p>Describe tests controls of non-current system</p>		<p><b>Non-current assets:</b></p> <ul style="list-style-type: none"> <li>- Control objectives</li> <li>- Control activities</li> <li>- Tests of controls</li> </ul>	<p><b>Skills lab:</b> Under guidance of teacher, students in their learning teams act as auditor of school and test how non-current asset are secured, maintained and depreciated.</p>
<p>Identify the control objectives of non-current liabilities system</p> <p>Explain the control activities of non-current liabilities system</p> <p>Explain tests controls of non-current liabilities system</p>	<p>Set out the control objectives of non-current liabilities system</p> <p>Set out the control activities of non-current liabilities system</p> <p>Describe tests controls of non-current liabilities system</p>		<p><b>Non-current liabilities:</b></p> <ul style="list-style-type: none"> <li>- Control objectives</li> <li>- Control activities</li> <li>- Tests controls</li> </ul>	<p><b>Skills lab:</b> Under guidance of teacher, students in their learning teams act as auditor of school and discuss about debentures and loan agreements, requirement to borrowing ratios and ensure the borrowing limits can be taken.</p>

<p>Identify the control objectives of management information system</p> <p>Explain the control activities of management information system</p> <p>Explain tests of controls of management information system</p>	<p>Set out the control objectives of management information system</p> <p>Set out the control activities of management information system</p> <p>Describe tests of controls of management information system</p>		<p><b>Management information:</b></p> <p>– Management information procedures</p>	<p><b>Skills lab:</b> Under guidance of teacher, students in their learning teams act as auditor of school and discuss about to the test postings from books of prime entry to the general ledger. Then agreeing general ledger to trial balance, and trial balance to financial statement balances.</p>
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**Assessment criteria:** Can explain the characteristics of effective accounting systems

**Link to other subjects:** *Financial accounting, Management Accounting, Entrepreneurship, taxation.*

**Resources:** Internet, Reference books, Paper, Pen, Marker, flip Chart, Computer, Projector, Black Board, chalk

<b>Subject: AUDITING</b>		<b>Senior 6</b>	<b>ACCOUNTING</b>	
<b>Topic Area:</b> Principles of auditing		<b>Sub Topic:</b> Internal control system		
<b>Unit 12:</b> Procedures in audit of financial statements			<b>No. of periods: 22</b>	
<b>Key Unit competence:</b> To be able to demonstrate working knowledge in respect of performance of audit procedures				
<b>Learning objectives</b>			<b>Content</b>	<b>Teaching / Learning Activities</b>
<b>Knowledge and understanding</b>	<b>Skills</b>	<b>Attitudes and values</b>		
Explain the nature of substantive procedures	Describe the nature of substantive procedures	Perform substantive procedures	<b>The nature of substantive procedures</b>	oral presentation on the nature of substantive procedures.  <b>Skills lab:</b> Under the guidance of teacher, the students in their learning groups will differentiate audit assertions for different financial statements and how they are used in collecting, appropriate and sufficient audit evidences.
Explain the financial statement assertions	Use of financial statement assertions in audit	Appreciate the importance of financial statement assertions in audit	<b>Financial statement assertions</b>	
Explain the different methods of obtaining audit evidence	Use the different methods of obtaining audit evidence	Apply the different methods of obtaining audit evidence	<b>Methods of obtaining audit evidence</b>	Students in their learning teams, discuss on methods of obtaining audit evidence
Explain the use of analytical procedures	Use analytical procedures in obtaining evidence	Perform analytical procedures	<b>Using analytical procedures</b>	<b>Skills lab:</b> In their learning teams, with guidance of a teacher, students will use financial information and carry out analytical review of different information presented in financial statement. They can compare different years to other information.
Explain when and why analytical procedures are used	Identify when and why analytical procedures are used	Apply the analytical procedures	<b>The nature of analytical procedures</b>	

Develop the analytical procedures in substantive testing	Examine the analytical procedures in substantive testing	Perform analytical procedures in substantive testing	<b>Analytical procedures in substantive testing</b>	<b>Skills lab:</b> In their learning team, with guidance of a teacher, students will use financial information and evaluate the reliability of the data from which the expectation has been developed.
Explain investigation about unexpected variation	Investigation of fluctuations and relationships	Investigation of fluctuations and relationships	<b>Investigation of fluctuations and relationships</b>	<b>Skills lab:</b> In their learning team, with guidance of a teacher, students will show the unacceptable levels of differences from expected amounts
Explain audit procedures for inventory	Use financial statements assertions in audit of inventory	Valuate inventory	<b>Audit procedures for some elements of financial statements</b>	Under guidance of teacher, students in their learning teams discuss on the procedures to audit inventory.
Explain audit procedures for non-current assets	Use financial statements assertions in audit of non current assets	Valuate the account receivable and cash	Inventory	Under guidance of teacher, student in their learning teams, discuss on the procedures to audit non- current assets.
Explain audit procedures for account receivable and cash	Use financial statements assertions in audit of receivables and cash	Valuate Liabilities	Non- current assets	Under guidance of teacher, student in their learning teams discuss on the procedures to audit of account receivable and cash.
Explain audit procedures for Liabilities	Use financial statements assertions in audit of inventory		Account receivable and cash	Under guidance of teacher, student in their learning teams, discuss on the procedures to audit the liabilities.
			Liabilities	

**Assessment criteria:** Can demonstrate working knowledge in respect of performance of audit procedures

**Link to other subjects:** Financial accounting, Management Accounting, Entrepreneurship, taxation.

**Resources:** Internet, Reference books, Paper, Pen, Marker, flip Chart, Computer, Projector, Black Board, chalk

<b>Subject: AUDITING</b>		<b>Senior 6</b>	<b>ACCOUNTING</b>	
<b>Topic Area:</b> Principles of auditing		<b>Sub Topic:</b> Reporting		
<b>Unit 13:</b> Audit judgement			<b>No. of periods: 10</b>	
<b>Key Unit competence:</b> Form an audit judgement				
<b>Learning objectives:</b>				
<b>Knowledge and understanding</b>	<b>Skills</b>	<b>Attitudes and values</b>	<b>Content</b>	<b>Teaching / Learning Activities</b>
Describe Overall review of financial statement	Review of financial statement	Perform overall review of financial statement	<b>Overall review of financial statement</b>	Under the guidance of a teacher, the students in their learning groups discuss on the overall review of financial statement.
Explain the events occurring after the end of reporting period	Examine the events occurring after the end of reporting period	Recognize the need to consider the events occurring after reporting date in preparation of financial statements	<b>Events after reporting period</b>	Under the guidance of a teacher, the students in their learning groups discuss on the adjusting and non adjusting events
Explain going concern concept	Analyze the use of going concern in preparation of financial statements	Conclude on the appropriateness of management's use of going concern concept	<b>Going concern</b>	Brainstorming on differences between financial statements prepared on going concern basis and financial statements prepared on break-up basis
Explain written representations	Describe written representations	Appreciate the need for written representations as source of audit evidence	<b>Written representations</b>	Under the guidance of a teacher, the students in their learning groups discuss on importance and content of written representations.
Explain the cumulative effect of uncorrected misstatement.	Describe the cumulative effect of uncorrected misstatement.	Evaluate the cumulative effect of uncorrected misstatement.	<b>Completion</b>	Under guidance of teacher students' in their learning teams, discuss on completion.  <b>Skills lab:</b> In their learning team, with guidance of a teacher, students will formulate audit judgement.
<b>Assessment criteria:</b> Can forming an audit judgement				
<b>Link to other subjects:</b> <i>Financial accounting, Management Accounting, Entrepreneurship, taxation.</i>				
<b>Resources:</b> Internet, Reference books, Paper, Pen, Marker, flip Chart, Computer, Projector, Black Board, chalk				

<b>Subject: AUDITING</b>		<b>Senior 6</b>	<b>ACCOUNTING</b>	
<b>Topic Area:</b> Principles of auditing		<b>Sub Topic:</b> Reporting		
<b>Unit 14:</b> Audit report			<b>No. of periods:</b> 12	
<b>Key Unit competence:</b> To be able to prepare an appropriate audit report				
<b>Learning objectives</b>				
<b>Knowledge and understanding</b>	<b>Skills</b>	<b>Attitudes and values</b>	<b>Content</b>	<b>Teaching / Learning Activities</b>
<p>Define auditor's report</p> <p>Define of audit opinion</p> <p>Explain the basic elements of the auditor's report</p> <p>Explain the auditor's report on financial statements</p> <p>Explain the unmodified and modified auditor's report</p> <p>Explain the emphasis of matter paragraphs and other matter paragraphs in the auditor's report</p>	<p>Explain an auditor's report</p> <p>Explain of audit opinion</p> <p>Describe the basic elements of the auditor's report</p> <p>Prepare an auditor's report on financial statements</p> <p>Provide an appropriate opinion corresponding to a given situation</p>	<p>Appreciate the importance of audit report to the shareholders and third party</p> <p>Recognize the need for an appropriate audit opinion</p> <p>Appreciate the appropriateness of emphasis of matter paragraphs and other matter paragraphs in the auditor's report</p>	<p><b>Meaning of auditor's report</b></p> <p><b>Meaning of audit opinion</b></p> <p><b>Basic elements of the auditor's report</b></p> <p><b>The auditor's report on financial statements</b></p> <p><b>Unmodified auditor's report</b></p> <p><b>Modified opinions</b></p> <ul style="list-style-type: none"> <li>- Qualified</li> <li>- Adverse</li> <li>- Disclaimer</li> </ul>	<p>Brainstorming on meaning and importance of audit report</p> <p>Brainstorming on meaning of audit opinion</p> <p>Under the guidance of a teacher, the students in their learning groups discuss on the basic elements of the auditor's report</p> <p><b>Skills lab:</b> Under the guidance of a teacher, the students in their learning groups are facilitated to design appropriate audit report</p> <p>Under guidance of teacher students' in their learning teams will be asked to provide the appropriate opinions from case studies</p>

	Describe the emphasis of matter paragraphs and other matter paragraphs in the auditor's report		<b>Emphasis of matter paragraphs and other matter paragraphs in the auditor's report</b>	In their learning team, with guidance of a teacher, students will discuss on different situations that require an emphasis of matter paragraph in audit report
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**Assessment criteria:** Can produce an appropriate auditor's report

**Link to other subjects:** *Financial accounting, Management Accounting, Entrepreneurship, taxation.*

**Resources:** Internet, Reference books, Paper, Pen, Marker, flip Chart, Computer, Projector, Black Board, chalk



#### 4. REFERENCES

1. ACCA (September 2009). PAPER F8 Audit and Assurance (International)(Fourth Edition). BPP Learning Media Ltd: London W128AA. 393pp
2. Alan Millichamp and John R Taylor (2008). Auditing (ninth edition). British library cataloguing-in-publication data: London WCIR 4LR. 459pp
3. CA (February 2015). Audit and Assurance (Second Edition). Emile Woolf international: United Kingdom. 383pp
4. ICPAR (June,2019). *Certified Accounting Technician (CAT)audit and assurance* (First edition). BPP Learning Media Ltd: London. 418pp.
5. ICPAR, (February 2020).*A1.2 Audit Practice & Assurance Services* (2nd edition). Institute of Certified Public Accountants of Rwanda. 228

## 5. ANNEXES

### 5.1 SUBJECTS AND WEEKLY TIME ALLOCATION FOR ACCOUNTING

Subject	Number of periods		
	(Period= 40 minutes)		
	S4	S5	S6
1. Financial Accounting	7	7	7
2. Management Accounting	7	7	7
3. Taxation	7	7	
4. Auditing			7
5. General Studies and Communication Skills	3	3	3
6. Subsidiary Mathematics	3	3	3
7. Entrepreneurship	3	3	3
8. English	3	3	3
<b>Sub-Total 1</b>	<b>33</b>	<b>33</b>	<b>33</b>
II. Core Subject examinable at School level			
9. ICT in Accounting	3	3	3
10. Ikinyarwanda	3	3	3
11. Physical Education and Sports	2	2	2
12. French	3	3	3
<b>Sub-total 2</b>	<b>11</b>	<b>11</b>	<b>11</b>
III. Co-curricular activities (compulsory)	6	6	6
Total number of contact periods per week	50	50	50
Total number of contact hours/week	33.3	33.3	33.3
<b>Total number of contact hours per year (39 weeks)</b>	<b>1,300</b>	<b>1,300</b>	<b>1,300</b>

## 5.2 AUDITING SUBJECT OVERVIEW

TOPIC AREA	SUB TOPIC AREA	KEY UNIT COMPETENCES
		S6
Principles of auditing	Introduction to auditing	Explain the fundamental concepts inof auditing
		Describe the legal and professional standards required for an auditor
	Statutory audit and regulation	Describe the procedures for an auditor’s appointment
		Describe the auditor’s requirements
		Explain the auditor’s responsibilities
		Comply with auditor’s regulation and professional ethics
	Planning and risk assessment	Execute audit planning and risk assessment
	Audit execution /fieldwork	Explain auditing procedures in sampling and gathering audit evidence
		Evaluate the form, content and extent of audit documentation
	Internal control system	Evaluate the internal control system
		Describe the characteristics of effective accounting system
		Demonstrate working knowledge in respect of performance of audit procedures in audit of financial statements
	Reporting	Form an audit judgement
		Produce an appropriate audit report