



**REPUBLIC OF KENYA**

**NATIONAL OCCUPATIONAL STANDARDS**

**FOR ACCOUNTANCY TECHNICIAN**

**KNQF LEVEL 6  
CYCLE 3**

**ISCED CODE: 0411 551A**



**TVET CDACC  
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NAIROBI**

## CONDUCT FINANCIAL AUDITS

**UNIT CODE: 0411 551 15A**

**TVET CDACC UNIT CODE: BUS/OS/AC/CR/08/6/MA**

### UNIT DESCRIPTION

This unit specifies the competencies required to conduct financial audits. It involves carrying out pre-engagement procedures, planning financial audit, monitoring internal control system, detecting errors and frauds, gathering audit evidence, carrying out risk assessment, carrying out computerized auditing and carrying out audit report.

### ELEMENTS AND PERFORMANCE CRITERIA

<b>ELEMENT</b> These describe the <b>key outcomes</b> which make up <b>workplace function</b> .	<b>PERFORMANCE CRITERIA</b> These are <b>assessable</b> statements which specify the required level of performance for each of the elements. <i><b>Bold and italicized terms are elaborated in the range.</b></i>
1. Carry out pre-engagement procedures	1.1 Firm's ability to perform the audit engagement is determined as per audits requirements. 1.2 Compliance of the firm and the engagement team is determined as per ethical standards. 1.3 Audit independence is determined as per audit requirements. 1.4 Engagement letter is offered as per audit requirement.
2. Plan financial audit	2.1 Audit approach is determined as per organization policy. 2.2 Audit schedule is prepared as per the approach. 2.3 Audit plan is prepared as per audit schedule 2.4 Internal control system is reviewed organizational policy. 2.5 Audit team is updated on internal control systems as per organizational policy.

<p>3. Monitor internal control system</p>	<p>3.1 Internal controls are identified as per the organizational requirement</p> <p>3.2 Internal control system is designed as per the organizational requirements.</p> <p>3.3 Internal control systems are developed organizational requirements.</p> <p>3.4 Internal control system is tested as per the organizational requirements</p> <p>3.5 Internal control system is implemented as per the work place requirements</p> <p>3.6 Internal control system is evaluated as per the organizational requirements</p>
<p>4. Detect errors and frauds</p>	<p>4.1 Audit tests are carried out as per the organizational requirements</p> <p>4.2 Errors and frauds are identified as per the organizational requirements</p> <p>4.3 Errors and frauds are classified as per the organizational requirements</p> <p>4.4 Errors and frauds significance level is determined as per organizational requirements.</p>
<p>5. Gather audit evidence</p>	<p>5.1 Documents, intangible and records are inspected as per audit requirements.</p> <p>5.2 Procedures and processes are observed as per audit requirements.</p> <p>5.3 Management enquires are carried out as per audit requirements</p> <p>5.4 Confirmation evidence is obtained as per audit requirements.</p> <p>5.5 Audit evidence is analysed as per audit requirements.</p>

<p>6. Carry out risk assessment</p>	<p>6.1 Risks of material misstatement at both the financial statement level and assertion level are assessed.</p> <p>6.2 Inherent risks, control risks and limitations are identified as per audit requirements.</p> <p>6.3 Level of detection risk is determined as per assessed level of risk of material misstatement.</p> <p>6.4 Auditing procedures are planned as per level of risk of material misstatement.</p>
<p>7. Carry out computerized auditing</p>	<p>7.1. Computerized auditing systems are identified.</p> <p>7.2. Operational contents are examined as per the organizational requirements.</p> <p>7.3. Auditing checklist is prepared based on the inspection process.</p> <p>7.4. Auditing technique is selected as per the audit requirements.</p> <p>7.5. Auditing process is carried out based on the selected technique.</p>
<p>8. Carry out audit report</p>	<p>8.1. Analytical procedures are carried out as per audit procedures.</p> <p>8.2. <b><i>Subsequent events</i></b> are reviewed as per audit procedures</p> <p>8.3. Going concern of is determined as per audit requirements.</p> <p>8.4. Financial statement compliance with IFRS is checked</p> <p>8.5. Audit documentation is reviewed to determine conclusion support for audit report</p> <p>8.6. Audit report is prepared as per international standards of auditing (ISAs).</p>

## **RANGE**

This section provides work environments and conditions to which the performance criteria apply. It allows for different work environment and situations that will affect performance.

<b>Variable</b>	<b>Range</b>
1. Subsequent events may include but not limited to:	<ul style="list-style-type: none"><li>• Payment to supplier</li><li>• Testing inventory cut off</li></ul>

## **REQUIRED KNOWLEDGE AND UNDERSTANDING**

The individual needs to demonstrate knowledge of:

- Financial Accounting
- Taxation
- Auditing
- Mathematics
- Business communication
- Economics
- Company law
- Business ethics

## **SKILLS**

The individual needs to demonstrate the following skills:

- Interpersonal skills.
- Professional scepticism
- Critical thinking and business acumen
- Emotional intelligence
- Communication skills
- Evaluation.
- Analysis.

- Numeracy.
- Report writing.
- Negotiation

## EVIDENCE GUIDE

This provides advice on assessment and must be read in conjunction with the performance criteria, required skills and knowledge and range.

1. Critical Aspects of Competency	<p>Assessment requires evidence that the candidate:</p> <ul style="list-style-type: none"> <li>1.1 Carried out pre-engagement procedures as per audit requirements.</li> <li>1.2 Planned financial audit as per audit requirements</li> <li>1.3 Monitored internal control system as per organizational policy</li> <li>1.4 Detected errors and frauds as per audit requirements</li> <li>1.5 Gathered audit evidence as per audit requirements</li> <li>1.6 Carried out risk assessment as per audit requirements</li> <li>1.7 Carried out computerized auditing as per audit requirements</li> <li>1.8 Carried out audit report as per audit requirements.</li> </ul>
2 Resource Implications	<p>The following resources should be provided:</p> <ul style="list-style-type: none"> <li>2.1 Access to relevant workplace where assessment can take place</li> <li>2.2 Appropriately simulated environment where assessment can take place</li> <li>2.3 Materials relevant to the proposed activity or tasks</li> </ul>

3	Methods of Assessment	Competency in this unit may be assessed through:  3.1 Practical 3.2 Projects 3.3 Poe evaluation 3.4 Third party reports 3.5 Written tests
4	Context of Assessment	The competency may be assessed in a workplace or a simulated workplace
5	Guidance information for assessment	5.1 Holistic assessment with other units relevant to the industry sector, workplace and job role is recommended.