



REPUBLIC OF KENYA

COMPETENCY-BASED MODULAR CURRICULUM

FOR

ACCOUNTANCY

KNQF LEVEL 6

(CYCLE 3)

PROGRAM CODE: 0411 551A



TVET CDACC
P.O. BOX 15745-00100
NAIROBI

FINANCIAL AUDIT

UNIT CODE 0411 551 15A

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

Duration of Unit: 130 hours

Relationship to Occupational Standards

This unit addresses the unit of competency: Conduct Financial Audits

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.

Summary of Learning Outcomes

S/NO	ELEMENTS	DURATION (HOURS)
1	Carry out pre-engagement procedures	16
2	Plan financial audit	16
3	Monitor internal control system	16
4	Detect errors and frauds	16
5	Gather audit evidence	16
6	Carry out risk assessment	16
7	Carry out computerised auditing	17
8	Carry out audit completion	17
		TOTAL 130 HOURS

Learning Outcomes, Content and Suggested Assessment Methods

Learning Outcome	Content	Suggested Assessment Methods
1. Carry out pre-engagement procedures	<p>1.1 Definition of auditing, auditor and an audit</p> <p>1.2 Explain the principles and processes of an audit</p> <p>1.3 Differences between auditing and accounting</p> <p>1.4 The types and timing of audits – consider internal versus external and a focus</p> <p>1.5 on the complimentary role of internal to external, interim and final</p> <p>1.6 The users of audited financial statements and auditor reports</p>	<ul style="list-style-type: none"> • Practical assessment • Project • Portfolio of evidence • Third party reports • Written tests • Oral questions
2. Plan financial audit	<p>2.1 Objectives of planning for the audit work</p> <p>2.2 Audit plan for a new client</p> <p>2.3 Audit plan for an existing client</p> <p>2.4 Developing an overall audit plan</p> <p>2.5 Limitations of audit plans</p>	<ul style="list-style-type: none"> • Practical assessment • Project • Portfolio of evidence • Third party reports • Written tests • Oral questions
3. Monitor internal control system	<p>3.1 Definition of internal controls and internal control systems</p> <p>3.2 Purpose of internal control system</p> <p>3.3 Designing an internal control system</p>	<ul style="list-style-type: none"> • Practical assessment • Project • Portfolio of evidence • Third party

	<p>3.4 Benefits and limitations of internal control system</p> <p>3.5 General controls on:</p> <p>3.5.1 Revenue</p> <p>3.5.2 Expenditure</p> <p>3.5.3 Assets</p> <p>3.5.4 Liabilities</p>	<p>reports</p> <ul style="list-style-type: none"> • Written tests • Oral questions
4. Detect errors and frauds	<p>4.1 Definition of error and fraud</p> <p>4.2 Differences between error and fraud</p> <p>4.3 Types of errors and fraud</p> <p>4.4 Causes of frauds</p>	<ul style="list-style-type: none"> • Practical assessment • Project • Portfolio of evidence • Third party reports • Written tests • Oral questions
5. Gather audit evidence	<p>5.1 Nature and source of audit evidence</p> <p>5.2 Types of audit evidence</p> <p>5.3 Gathering audit evidence</p> <p>5.4 Reliance on the work on internal auditor</p> <p>5.5 Contents of audit working papers (excluding their preparation)</p> <p>5.6 Audit tests</p> <p>5.6.1 Compliance tests</p> <p>5.6.2 Substantive tests</p> <p>6. Analytical tests</p>	<ul style="list-style-type: none"> • Practical assessment • Project • Portfolio of evidence • Third party reports • Written tests • Oral questions
7. Carry out risk assessment	<p>7.1 Meaning of audit risks</p> <p>7.2 Types of audit risks</p> <p>7.3 Risk based audit</p>	<ul style="list-style-type: none"> • Practical assessment • Project

		<ul style="list-style-type: none"> • Portfolio of evidence • Third party reports • Written tests • Oral questions
8. Carry out computerised auditing	<p>8.1 Benefits and drawbacks of computerised accounting systems</p> <p>8.2 Computer Aided Auditing Techniques (CAATs); Auditing around and through the computer</p>	<ul style="list-style-type: none"> • Practical assessment • Project • Portfolio of evidence • Third party reports • Written tests • Oral questions
9. Carry out audit report	<p>9.1 Purpose of the auditor's report</p> <p>9.2 Elements of the auditor's report</p> <p>9.3 Types of audit reports</p> <p>9.4 Key audit matters</p> <p>9.5 Forms of audit opinion</p> <p>9.6 Professional ethics</p> <p>9.7 Emerging issues and trends</p>	<ul style="list-style-type: none"> • Practical assessment • Project • Portfolio of evidence • Third party reports • Written tests • Oral questions

Suggested Delivery Methods

- Demonstration
- Practical work by trainee
- Fieldwork and benchmarking
- Group discussions

List of Recommended Resources for 25 trainees

S/No.	Category/Item	Description/ Specifications	Quantity	Recommended Ratio (Item: Trainee)
A	Learning Materials			
1.	Charts	• Flip Charts	5	1:6
B	Learning Facilities & Infrastructure			
2.	Lecture/Theory Room	(9* 8 sq. metres)	1	1:30
3.	Internet Connection	WI-FI, Dial-Up, Cable, Fixed- wireless,	1	1:30
C	Consumable Materials			
4.	Markers	whiteboard markers and permanent markers	5	1:6
5.	Stationery	Printing Papers, Foolscaps	5 reams	1:6
6.	Files / folders		30	1:1
7.	Flash disks		5	1:6
D	Tools And Equipment			
8.	Computers/Laptops	Any model	30	1:1
9.	Projector	LED.LCD, Laser	1	1:30
10.	Whiteboard	Glass, melamine, porcelain	1	1:30
11.	Staplers		2	1:15
12.	Paper punch		2	1:15
13.	Metallic cabinet		1	1:30
14.	Scanner		2	1:15
15.	Printer		1	1:30

16.	Print toners		2	1:15
17.	Shredding machine		1	1:30