

# **COMMISSION FOR PUBLIC OVERSIGHT OF STATUTORY AUDITORS**

## **PROGRAMME FOR COMPULSORY INCEPTION PROFESSIONAL TRAINING FOR INSPECTORS AND METHODOLOGY EXPERTS**

**(Approved with Decision № 6, Protocol № 2/ 27 Jan 2009)**

<b>MODULE /SUBJECT</b>
<b>Module I. Legislation framework for carrying out the public oversight of statutory auditors</b> <b>Subjects:</b> 1.Law on Independent Financial Audit. Rights and responsibilities of the Institute of Certified Public Accountants and the Commission for public oversight of statutory auditors. 2. Regulation for the activity of the Commission for public oversight of statutory auditors – activities, structure, job descriptions. 3.Directive 2006/43/EC and Recommendation of the European Commission of May 2008. 4. Rights and responsibilities of the Commission for Financial oversight.
<b>Module II. Requirements concerning Financial Reporting</b> <b>Subjects:</b> 1. International Financial Reporting Standards. 2. Accountancy Act. 3. Annual financial statements: 3.1.Objectives, structure, form and contents; 3.2.Formulating and disclosure of the accounting policy; 3.3.Rules for preparation of consolidated financial statements.
<b>Module III. International Standards on Auditing.</b> <b>Subjects:</b> 1. International Framework for Assurance Engagements. 1.1. Scope of the Framework; 1.2. Definition and objectives of Assurance Engagement; 1.3. Acceptance of Engagement. Components of the Engagement. 2. Objective and General Principles governing an Audit of Financial Statements (ISA 200) 2.1. Objective of the Audit. Performance of an Audit of Financial Statements; 2.2. Scope of the Audit and reasonable assurance; 2.3. Audit Risk and materiality; 2.4. Responsibility for the Financial Statements. Assessment of the acceptance of the financial reporting framework. 3. Terms of Audit Engagements (ISA 210) 3.1. Audit engagement letters. Repeat Audit Engagements. Acceptance of the change in nature of audit engagement; 3.2. Audit working papers. Form and content of working papers; 3.3. Confidentiality, safe custody and ownership of working papers.
4. International Standards for quality control 4.1. Quality Control for Audit Work (ISA 220); 4.2.. Quality Control for Audits of historical financial information (ISA 220 R).
5. The Auditor's Responsibility to consider Fraud in an Audit of Financial Statements (ISA 240) 5.1. Characteristics of Fraud. Responsibilities of those Charged with Governance and of Management;

<p>5.2. Responsibilities of the auditors. Risk Assessment procedures;</p> <p>5.3. Identification and assessment of the risks of material misstatements due to fraud.</p>
<p>6. Risk Assessment</p> <p>6.1. Planning an Audit of financial statements (ISA 300);</p> <p>6.2. Understanding the entity and its environment and assessing the risks of material misstatement (ISA 315);</p> <p>6.3. Audit materiality (ISA 320). Relationship between materiality and audit risk.</p>
<p>7. Audit Evidence</p> <p>7.1. Audit Evidence (ISA 500). Sufficient and appropriate audit evidences. Usage of management's assertion when obtaining. Procedures for obtaining audit evidences;</p> <p>7.2. Audit Evidence – Additional Considerations for specific items (ISA 501);</p> <p>7.3. External Confirmations (ISA 505).</p>
<p>8. Initial Engagements – Opening Balances (ISA 510)</p> <p>8.1. Audit Procedures;</p> <p>8.2. Auditors' opinion and report.</p>
<p>9. Analytical Procedures (ISA 520)</p> <p>9.1. Risk assessment procedures;</p> <p>9.2. Analytical Procedures as Substantive Procedures</p> <p>9.3. Analytical procedures as part of the overall review at the end of the audit;</p> <p>9.4. Reliability of the analytical procedures.</p>
<p>10. Audit sampling and other means of testing (ISA 530)</p> <p>10.1. Design of the sample, sample size and selecting the sample;</p> <p>10.2. Performing the audit procedure;</p> <p>10.3. Evaluating sample results.</p>
<p>11. The Auditor's Report on Financial Statement</p> <p>11.1. The independent auditor's Report on a complete set of General purpose financial statements (ISA 700R). Components of an auditor's report in an audit conducted in accordance with International Standards on Auditing;</p> <p>11.2. Auditor's report for audits, conducted in accordance with both ISAs and National Auditing Standards;</p> <p>11.3. Unaudited Supplementary Information presented with audited financial statement.</p>
<p><b>Module IV. Quality Control on the activity of statutory auditors</b></p> <p><b>Subjects:</b></p>
<p>1. Quality assurance system of the Auditing Services</p> <p>1.1. Basic Requirements;</p> <p>1.2. Rules and Procedures for quality control on the Auditing Services;</p> <p>1.3. Methodology for conducting the quality assurance review;</p> <p>1.4. Questionnaire for applying quality assurance system on the audit work performed.</p>
<p>2. Preparation and performance of the quality assurance review on the activity of statutory auditors</p> <p>2.1. Preliminary surveys, procedures and documentation papers;</p> <p>2.2. Quality assurance review of the audit papers;</p> <p>2.3. Review of the compliance with the requirements of the International Standards on Auditing;</p> <p>2.4. Review of the compliance with Codes of Ethics and independence requirements of statutory auditors;</p> <p>2.5. Identification of adequate time and human resources as well as audit fees;</p> <p>2.6. Assessment of the internal quality control system, applied by the statutory auditor;</p> <p>2.7. Access to the necessary information and cooperation with the Institute of Certified Public Accountants.</p>

3. Report on the results of the review on the activity of statutory auditors

3.1. Report on the results from the conducted review with the underlying inspector's conclusions;

3.2. Elements of the report;

3.3. Procedure of reconciliation with the reviewed statutory auditor;

3.4. Submission of the report to the committee;

4. Prescribing recommendations to statutory auditors and follow-up actions;

5. Possible irregularities, errors. Imposition of penalties and their withdrawal .

*Form of training: lectures and practical training, testing*