

**TABLE OF SPECIFICATIONS
AUDITING**

QUALIFICATION DESCRIPTORS									
	TOPICS/OUTCOMES	Weight	No. of Items	Knowledge, Skills, Values (30%)		Application (50%)	Degree of Independence (20%)		
				Remembering	Understanding	Application	Analyzing	Evaluating	Creating
	The examinees must be able to:								
1.0	Auditing Theory	50%	35						
1.1	1.1.1 Identify and describe the objectives, nature, elements and types of assurance engagements. Differentiate between assurance and attestation services 1.1.2 Identify and describe the nature, philosophy, and objectives of audit and differentiate among types of audit and auditors		5	2	2	1			
1.2	1.2.1 Describe the audit process. Identify and explain the procedures that comprise pre-engagement, audit planning, supervision and review. 1.2.2 Perform analytical procedures, calculate materiality and assess audit risks		5		2	2	1		
1.3	1.3.1 Identify industry, regulatory and other external factors, including the applicable financial reporting framework, affecting the business entity under audit 1.3.2 Identify and describe the basic concepts and elements of internal control and assess and evaluate control risks		5		2	2	1		

	1.3.3 Identify and evaluate risks of material misstatements due to fraud and errors								
1.4	Explain the nature and significance of audit evidence and describe the different audit procedures and techniques in gathering evidential matters		4	1	1	2			
1.5	1.5.1 Identify the steps in preparing an audit report. 1.5.2 Explain the various review and evaluation procedures that are conducted in preparing the final audit report such as overall analytic review, identification of related party transactions, discovery of subsequent events, assessment of going concern assumption.		4	1	1	2			
1.6	1.6.1 Identify and describe the elements of an audit report resulting to an audit opinion 1.6.2 Differentiate between the unqualified and modified auditor's report 1.6.3 Identify matters that influence the auditor's opinion in a modified auditor's report		4		1	2	1		
1.7	1.7.1 Describe the approach in auditing a Computerized Information Systems (CIS) environment. 1.7.2 Identify and assess internal control in a CIS environment. 1.7.3 Describe computer assisted audit techniques		4		2	2			
1.8	Describe other assurance and non-assurance services such as special purpose audit engagements, audit of a component of financial statements, reports on compliance with contractual agreements, reports on summarized financial statements, examination of prospective financial information, engagements to review		4		1	2	1		

	financial statements, perform agreed-upon procedures regarding financial information, and compilation of financial information								
2.0	Evidence Accumulation and Evaluation – Substantive Tests of Transactions and Balances	50%	35						
	2.1 Audit of the revenue and receipt cycle 2.1.1 Audit of sales and revenue transactions 2.1.2 Audit of receivable balances 2.1.3 Audit of cash receipt transactions / cash balance		7		1	4	1	1	
	2.2 Audit of expenditure and disbursement cycle 2.2.1 Audit of acquisitions and purchases 2.2.2 Audit of payroll transactions 2.2.3 Audit of cash disbursement transactions / cash balance 2.2.4 Audit of inventory balances 2.2.5 Audit of trade payable balances 2.2.6 Audit of prepaid expenses and accrued liabilities		7		1	4	1	1	
	2.3 Audit of production cycle 2.3.1 Audit of conversion activities 2.3.2 Audit of inventory balances: work-in-process and finished goods 2.3.3 Audit of cost of goods sold balance		7		1	4	1	1	
	2.4 Audit of the financing cycle 2.4.1 Audit of financing cycle transactions 2.4.2 Audit of non-trade liability balances 2.4.3 Audit of interest expense and finance cost balances 2.4.4 Audit of equity accounts		7		1	4	1	1	

	2.5 Audit of investing cycle		7		1	4	1	1	
	2.5.1 Audit of investing transactions								
	2.5.2 Audit of investment account balances								
	2.5.3 Audit of property, plant and equipment account balances								
	2.5.4 Audit of intangible account balances								
				4	17	35	9	5	0
	TOTAL	100%	70	21		35	14		