

Financial University under the Government of the Russian Federation
Department of Public Finance

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Assurance ICAEW (in English)
Course Syllabus

Level of Study: Master's Degree

Field of Study: Finance and Credit

Study Programs:
Public Financial Management

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1. Name of a subject

Assurance ICAEW (in English)

2. Mapping of learning outcomes (list of competences), with the relevant indicators described and subject learning outcomes indicated

The section lists the graduates' coded competencies that are to be developed during the learning process, indicators that show their development (generalized descriptions of specific actions performed by the graduate that clarify and reveal the competence content), learning outcomes (knowledge, skills) with indicators of competence development (in the form of a table):

Table 1

Competence code	Competence	Competence development indicators ¹	Learning outcomes (skills ² , and knowledge) and indicators that show competence development
Concentration: Public Finance Management			
AC-2	Ability to examine public sector financial statements and use the examination results when making strategic and operational public finance management decisions	1. Uses modern public administration sector financial statement analysis methods, budget risk assessment methods, and offers solutions to mitigate them to achieve budget system financial stability and long-term sustainability.	
		2. Presents the analysis and assessment results in the form of financial surveys, expert reports, presentations and publications.	
AC-3	Ability to use laws to substantiate and implement public finance management decisions	1. Applies the key provisions of laws governing public finance management and structuring to solve practical public finance management problems.	
		2. Makes a critical public finance management legal framework quality and sufficiency assessment.	

¹ To be filled in when the updated Financial University educational standards and federal state educational standards of higher education "3++" are implemented.

² Skills are described when the Financial University educational standards of the 1st generation and federal state educational standards of higher education "3+" are implemented.

3. Place of the subject in the curriculum

Goals and objectives of the course

- To acquire knowledge of assurance provided when controlling budget expenditure and implementing government programs;
- To learn the material of the manual and obtain an ICAEW Assurance certificate as part of ICAEW CFAB certificate (Institute of Chartered Accountants of England and Wales, Certificate in Finance, Accounting and Business)

Place of the discipline within the curriculum

The course is a mandatory discipline in the variational component of the curriculum of master program 38.04.08 in Finance and Lending (concentration: Public Financial Management).

4. Workload in credits and academic hours, with class work (lectures and seminars) and self-study indicated

Concentration: Public Finance Management

Table 2

Type of work	Total (in credits and hours)	Module 1 (in hours)	Module 2 (in hours)
Overall workload	3/108	52	56
Class work	36	16	20
Lectures	14	6	8
Seminars, practicals	22	10	12
Self study	72	36	36
<i>Formative assessment</i>	<i>Control work</i>	<i>Control work</i>	-
<i>Summative assessment</i>	<i>Written exam</i>	-	<i>Written exam</i>

5. Subject content (with the thematic components indicated).

1. Concept of and need for assurance

What is assurance? Why is assurance important? Why can assurance never be absolute?

The statutory audit.

2. Process of assurance.

Obtaining an engagement. Accepting an engagement. Agreeing terms of an engagement.

Planning, analytical procedures, materiality, audit risk, fraud. Evidence and reporting.

3. Introduction to internal control

What is internal control? Components of internal control. Information about controls.

4. Internal control of revenue system, purchases system and employee costs

Ordering, despatch and invoicing, recording, cash collection, deficiencies. Ordering, goods inward and recording of invoices, payment, deficiencies. Calculating wages and salaries.

Recording of wages and salaries and deductions. Payment of wages and salaries.

Deficiencies

5. Internal audit and its documentation.

What is internal audit? What does the internal audit function do? Purpose of documentation. Form and content of documentation. Safe custody and retention of documentation. Ownership of and right of access to documentation.

6. Procedures of internal audit.

Evidence, Selecting items to test. Drawing conclusions from sampling. Evaluation of misstatements. Written representations as assurance evidence. When other written representations are required. Example of a written representation letter. Non-current assets, Inventory, Receivables. Bank, Payables. Long-term liabilities, Income statement items.

7. Codes of professional ethics.

Professional ethics. IFAC Code. ICAEW Code. FRC Ethical Standard.

8. Integrity, objectivity and independence, confidentiality in ethics on finance.

Integrity, objectivity and independence. Threats and safeguards. Resolving ethical conflicts. Conflicts of interest for the accountant. Importance of confidentiality.

Safeguards to confidentiality. Disclosure of confidential information.

6. List of teaching and methodological materials needed for the students self-study

6.1. List of questions for student self-study and types of out-of-class activities

Table 3

№	Itemized subject content	Questions the students should answer within the self-study process	Types of out-of-class activities
1	Concept of and need for assurance	End-of-chapter Self-test from mandatory textbook	Mandatory reading of textbook chapter, learning of chapter summary, repetition of test question from seminars.
2	Process of assurance	End-of-chapter Self-test from mandatory textbook	Mandatory reading of textbook chapter, learning of chapter summary, repetition of test question from seminars.
3	Introduction to internal control	End-of-chapter Self-test from mandatory textbook	Mandatory reading of textbook chapter, learning of chapter summary, repetition of test question from seminars.
4	Internal control of revenue system, purchases system and employee costs	End-of-chapter Self-test from mandatory textbook	Mandatory reading of textbook chapter, learning of chapter summary, repetition of test question from seminars.
5	Internal audit and its documentation	End-of-chapter Self-test from mandatory textbook	Mandatory reading of textbook chapter, learning of chapter summary, repetition of test question from seminars.

6	Procedures of internal audit	End-of-chapter Self-test from mandatory textbook	Mandatory reading of textbook chapter, learning of chapter summary, repetition of test question from seminars.
7	Codes of professional ethics	End-of-chapter Self-test from mandatory textbook	Mandatory reading of textbook chapter, learning of chapter summary, repetition of test question from seminars.
8	Integrity, objectivity and independence, confidentiality in ethics on finance	End-of-chapter Self-test from mandatory textbook	Mandatory reading of textbook chapter, learning of chapter summary, repetition of test question from seminars.

6.2. List of questions/assignments/topics for students' preparation to formative assessment

Example of questions for progress test and for final exam

4 Which three of the following are auditors helped to decide by setting a preliminary materiality threshold?

- A How many items to examine
- B What audit staff to assign to the audit
- C Whether to use sampling
- D What level of misstatement is likely to lead to the auditor not being able to give an unmodified opinion

8 Audit risk can be split into three components: inherent risk, control risk and detection risk. For each of the following examples, select the type of risk illustrated.

The organisation is seeking to raise finance for a new venture.

- A Inherent
- B Control
- C Detection

The organisation has a number of estimates in its financial statements.

- D Inherent
 - E Control
 - F Detection
- LO 1f

11 Which two of the following would be used in understanding the entity in accordance with ISA 315 (UK) Identifying and Assessing the Risks of Material Misstatement Through Understanding of the Entity and Its Environment?

- A The results of a review of events after the date of the financial statements LO 1f
- B Industry, regulatory and other external factors
- C A preliminary review of internal controls
- D The results of tests of details

15 Which three of the following would increase inherent risk?

- A A significant number of balances are based on estimates
 - B Sample sizes have been calculated incorrectly by the auditor and are too small
 - C The financial statements include complex transactions
 - D Audit staff are inexperienced
 - E The company is seeking to raise finance
- LO 1f

19 In each of the following cases, select whether inherent risk is higher or lower than normal.

The company has recently listed on the local stock exchange with high profit expectations from analysts.

- A Inherent risk higher than normal B Inherent risk lower than normal
Inventory is the largest balance on the statement of financial position.
- C Inherent risk higher than normal D Inherent risk lower than normal
The company operates in a slow-moving, stable industry.
- E Inherent risk higher than normal F Inherent risk lower than normal LO 1f

23 Deteriora Ltd's quick ratio has fallen from 1.9:1 to 1.6:1. Which one of the following might help to explain this decline?

- A The entity has purchased a property for cash B Credit control has been poor
B The allowance for receivables has been reduced D Inventory levels have fallen LO 1f

27 Which one of the following best describes the principal difference between fraud and error?

- A Fraud is an intentional act whereas error is unintentional
B Fraud may result in the financial statements being material misstated
C A misstatement can be material whether it is caused by fraud or by error
D Fraud may be the result of negligence whereas error is unintentional LO 1i

3 Which three of the following constitute analytical procedures?

- A Consideration of comparable information for prior periods
B Consideration of whether a balance has been calculated correctly
C Consideration of relationships between elements of financial information that are expected to conform to a predicted pattern
D Consideration of similar industry information LO 1f

9 Audit risk can be split into three components: inherent risk, control risk and detection risk. For each of the following examples, select the type of risk illustrated.

The organisation has a high turnover of staff in the accounts department.

- A Inherent B Control C Detection

The auditor will be using samples in testing.

- D Inherent E Control F Detection LO 1f

12 Which one of the following is normally designed to detect possible material monetary errors in the figures in financial statements?

- A Test of control B Walk-through test
C Observation of a procedure D Analytical procedure LO 3f

17 For each of the following situations select the most appropriate approach which should be used by the assurance firm.

The audit of a new client, recently started up, with few employees in its accounting department

- A A mix of tests of control and substantive procedures
B Tests of control only
C Substantive procedures only

The audit of a long-standing client with a sophisticated IT system and an internal audit department

- D A mix of tests of control and substantive procedures LO 3f
E Tests of control only
F Substantive procedures only

20 For each of the following statements select whether they are true or false in respect of the concept of materiality.

Materiality depends only on the monetary amount of an item.

- A True B False

Materiality may depend on either the nature of an item or its monetary amount.

- C True D False
Materiality is a matter of professional judgement.
- E True F False LO 1f
- 22 Which two of the following options are signs of overtrading?
A Inventory decreasing B Cash decreasing
C Receivables increasing D Payables decreasing LO 1f
- 28 Which two of the following are true in respect of related party transactions?
A Related party transactions tend to be low-risk to the auditor
B Related party transactions must be completely disclosed in the financial statements
C Disclosure of related party transactions is unlikely to be material to the financial statements
D There may be a significant control risk in relation to related party transactions LO 1f

7. Mandatory and optional reading list

Mandatory reading list

1. Assurance. Study Manual 2017. – London, Institute of Chartered Accountants of England and Wales, 2017.
2. Assurance. Question Bank 2017. – London, Institute of Chartered Accountants of England and Wales, 2017.

Optional reading list

4. Audit and Assurance, ACCA F8. Study Text, BBP, 2015.
5. Audit and Assurance, ACCA F8. Revision Kit, BBP, 2015.
6. Audit and Assurance, ACCA F8. Pass Cards, BBP, 2015.

E-resources

1. Institute of Chartered Accountants of England and Wales, mock exam resources
<https://www.icaew.com/en/learning-and-development/icaew-cfab/cfabstudents/study-and-exam-resources>
2. Institute of Chartered Accountants of England and Wales, Public sector control and audit page
<http://www.icaew.com/en/about-icaew/act-in-the-publicinterest/policy/public-sector-finances>
3. Institute of Internal Auditors – www.theiia.org

8. List of IT resources, incl. the list of software, information and reference systems (as appropriate).

8.1. Software:

1. Windows, Microsoft Office software;
2. ESET Endpoint Security antivirus software; etc.

8.2. Databases and information and reference systems

E-resources

1. Garant information and reference system;
2. Consultant Plus legal information system;

8.3. Certified software/hardware used for information protection

No such software/hardware is used.