**OUTLINE – INTERNSHIP REPORT – PHASE II**

MAJOR: AUDITING

**TOPIC: AUDIT OF SELLING AND ADMINISTRATIVE EXPENSES**

**IN FINANCIAL AUDITS CONDUCTED BY XYZ AUDIT FIRM**

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**INTRODUCTION**

* Rationale for the research
* Report’s structure

**CHAPTER 1:**

**CHARACTERISTICS OF AUDIT OF SELLING AND ADMINISTRATIVE EXPENSES IN FINANCIAL AUDITS CONDUCTED BY XYZ AUDIT FIRM (2.0 marks)**

**1.1. Characteristics of selling and administrative expenses of clients affecting financial audits**

1.1.1. Features of selling and administrative expenses on financial statements

1.1.2. Accounting for selling and administrative expenses

*Students should briefly describe the accounting for selling and administrative expenses, including: vouchers, accounts, accounting books related to selling and administrative expenses*

1.1.3. Common misstatements related to selling and administrative expenses

1.1.4. Internal controls over selling and administrative expenses

*Describe control activities designed to prevent, detect and correct possible misstatements related to selling and administrative expenses*

**1.2. Audit objectives of auditing selling and administrative expenses in financial audits conducted by XYZ Audit Firm**

*Describe general audit objectives and specific audit objectives developed by the Audit Firm when auditing selling and administrative expenses*

**1.3. Audit of selling and administrative expenses in financial audits process conducted by XYZ Audit Firm**

*Describe the steps to be performed in financial audits process for selling and administrative expenses conducted by XYZ Audit Firm in following phases:*

1.3.1. Planning the audit

1.3.2. Implementing the audit

1.3.3. Completing the audit

**Note**: *The content of Chapter 1 describes only general guidelines of the Audit Firm rather than specific clients.*

**CHAPTER 2:**

**PRACTICE OF AUDIT OF SELLING AND ADMINISTRATIVE EXPENSES IN FINANCIAL AUDITS CONDUCTED BY XYZ AUDIT FIRM – AT SPECIFIC CLIENT(S) (5.0 marks)**

*From Section 2.1. to 2.3: Students should illustrate and describe the audit of selling and administrative expenses in financial audits process at one or two specific client(s) with different characteristics, such as: new client or existing client; clients in different business sectors.*

**2.1. Planning the audit**

*Describe in detail the steps in this phase conducted by the Audit Firm at the specific client(s) (accompanied by working papers to illustrate). Specially, it is necessary to introduce "Audit Program(s)" for selling and administrative expenses.*

**2.2. Implementing the audit**

*Describe the audit procedures performed by auditors for selling and administrative expenses (accompanied by working papers to illustrate).*

2.2.1. Performing tests of controls

2.2.2. Performing analytical procedures

2.2.3. Performing tests of details

**2.3. Completing the audit**

*Students should describe the results of auditing selling and administrative expenses and the influence of these results on the final audit opinion.*

**Note:** *If students choose two clients to illustrate the audit of selling and administrative expenses in financial audits process, students need to compare the audit process of these two clients, thereby pointing out the differences in the characteristics of clients affecting the content of audit process.*

**CHAPTER 3:**

**ASSESSMENTS AND RECOMMENDATIONS FOR IMPROVING THE AUDIT OF SELLING AND ADMINISTRATIVE EXPENSES IN FINANCIAL AUDITS CONDUCTED BY XYZ AUDIT FIRM (2.0 marks)**

**3.1. Assessments of the audit of selling and administrative expenses in financial audits process conducted by XYZ Audit Firm**

3.1.1. Strengths

3.1.2. Weaknesses and causes

**3.2. Recommendations for improving the audit of selling and administrative expenses in financial audits process conducted by XYZ Audit Firm**

*Propose recommendations associated with identified weaknesses and causes.*

CONCLUSION

REFERENCES

APPENDIX (If available)

Confirmation of the Audit Firm

**Assessment and grading policy**:

- The form of the report: 1 mark

- The content of the report: 9 marks

- The report must include three chapters with a minimum of 50 pages