**OUTLINE – INTERNSHIP REPORT – PHASE II**

MAJOR: AUDITING

**TOPIC: AUDIT OF LOANS AND FINANCE LEASE LIABILITIES 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 LOANS AND FINANCE LEASE LIABILITIES IN FINANCIAL AUDITS CONDUCTED BY XYZ AUDIT FIRM (2.0 marks)**

**1.1. Characteristics of loans and finance lease liabilities of clients affecting financial audits**

1.1.1. Features of loans and finance lease liabilities on financial statements

1.1.2. Accounting for loans and finance lease liabilities

*Students should briefly describe the accounting for loans and finance lease liabilities, including: vouchers, accounts, accounting books related to loans and finance lease liabilities*

1.1.3. Common misstatements related to loans and finance lease liabilities

1.1.4. Internal controls over loans and finance lease liabilities

*Describe control activities designed to prevent, detect and correct possible misstatements related to loans and finance lease liabilities*

**1.2. Audit objectives of auditing loans and finance lease liabilities in financial audits conducted by XYZ Audit Firm**

*Describe general audit objectives and specific audit objectives developed by the Audit Firm when auditing loans and finance lease liabilities*

**1.3. Audit of loans and finance lease liabilities in financial audits process conducted by XYZ Audit Firm**

*Describe the steps to be performed in financial audits process for loans and finance lease liabilities 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 LOANS AND FINANCE LEASE LIABILITIES 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 loans and finance lease liabilities 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 loans and finance lease liabilities.*

**2.2. Implementing the audit**

*Describe the audit procedures performed by auditors for loans and finance lease liabilities (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 loans and finance lease liabilities and the influence of these results on the final audit opinion.*

**Note:** *If students choose two clients to illustrate the audit of loans and finance lease liabilities 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 LOANS AND FINANCE LEASE LIABILITIES IN FINANCIAL AUDITS CONDUCTED BY XYZ AUDIT FIRM**

**(2.0 marks)**

**3.1. Assessments of the audit of loans and finance lease liabilities 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 loans and finance lease liabilities 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