**OUTLINE – INTERNSHIP REPORT – PHASE II**

MAJOR: AUDITING

**TOPIC: THE PROCESS OF ASSESSING MATERIALITY AND AUDIT RISKS IN FINANCIAL AUDITS CONDUCTED BY XYZ AUDIT FIRM**

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**INTRODUCTION**

* Rationale for the research
* Report’s structure

**CHAPTER 1:**

**CHARACTERISTICS OF THE PROCESS OF ASSESSING MATERIALITY AND AUDIT RISKS IN FINANCIAL AUDITS CONDUCTED BY XYZ AUDIT FIRM**

**(2.0 marks)**

**1.1. Overview of materiality and audit risks in financial audits**

1.1.1. Materiality and audit risks

1.1.2. Role of the assessment of materiality and audit risks in financial audits

**1.2. Process of assessing audit risks in financial audits conducted by XYZ Audit Firm**

*Describe the steps in the process of assessing audit risks in financial audits conducted by XYZ Audit Firm*

**1.3. Process of assessing materiality in financial audits conducted by XYZ Audit Firm**

*Describe the steps in the process of assessing materiality in financial audits conducted by XYZ Audit Firm*

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

**CHAPTER 2:**

**PRACTICE OF THE PROCESS OF ASSESSING MATERIALITY AND AUDIT RISKS 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 process of assessing materiality and audit risks in financial audits at one or two specific clients with different characteristics, such as: new client or existing client; clients in different business sectors.*

**2.1. Practice of the process of assessing audit risks in financial audits at Client … conducted by XYZ Audit Firm**

**2.2. Practice of the process of assessing materiality in financial audits at Client … conducted by XYZ Audit Firm**

*Describe the steps in the process of assessing materiality in financial audits conducted by XYZ Audit Firm at one or two specific clients.*

**Note:** *If students choose two clients to illustrate the process of assessing materiality and audit risks in financial audits, 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 the process of assessing materiality and audit risks.*

**CHAPTER 3:**

**ASSESSMENTS AND RECOMMENDATIONS FOR IMPROVING THE PROCESS OF ASSESSING MATERIALITY AND AUDIT RISKS IN FINANCIAL AUDITS CONDUCTED BY XYZ AUDIT FIRM (2.0 marks)**

**3.1. Assessments of the process of assessing materiality and audit risks in financial audits conducted by XYZ Audit Firm**

 3.1.1. Strengths

 3.1.2. Weaknesses and causes

**3.2. Recommendations for improving the process of assessing materiality and audit risks in financial audits 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