**OUTLINE – INTERNSHIP REPORT – PHASE II**

MAJOR: AUDITING

**TOPIC: AUDIT OF FIXED ASSETS 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 FIXED ASSETS IN FINANCIAL AUDITS CONDUCTED BY XYZ AUDIT FIRM (2.0 marks)**

**1.1. Characteristics of fixed assets of clients affecting financial audits**

1.1.1. Features of fixed assets on financial statements

1.1.2. Accounting for fixed assets

*Students should briefly describe the accounting for fixed assets, including: vouchers, accounts, accounting books related to fixed assets*

1.1.3. Common misstatements related to fixed assets

1.1.4. Internal controls over fixed assets

*Describe control activities designed to prevent, detect and correct possible misstatements related to fixed assets*

**1.2. Audit objectives of auditing fixed assets in financial audits conducted by XYZ Audit Firm**

*Describe general audit objectives and specific audit objectives developed by the Audit Firm when auditing fixed assets*

**1.3. Audit of fixed assets in financial audits process conducted by XYZ Audit Firm**

*Describe the steps to be performed in financial audits process for fixed assets 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 FIXED ASSETS 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 fixed assets 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 fixed assets.*

**2.2. Implementing the audit**

*Describe the audit procedures performed by auditors for fixed assets (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 fixed assets and the influence of these results on the final audit opinion.*

**Note:** *If students choose two clients to illustrate the audit of fixed assets 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 FIXED ASSETS IN FINANCIAL AUDITS CONDUCTED BY XYZ AUDIT FIRM**

**(2.0 marks)**

**3.1. Assessments of the audit of fixed assets 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 fixed assets 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