



COURSE OUTLINE

AUDIT CORE TRAINING

converg
tailored financial training

WHAT IS CORE TRAINING?

The training provides trainee accountants with the technical and professional skills training required by SAICA. We believe in developing trainees to express quality in everything they do - in the standard of their auditing, the business advice they render to the client and in the commercial value they provide to their employer.

This series of courses is structured to cover relevant skills as trainees progress through their training contracts, from induction to the level of competency required from senior trainees. The programme eventually covers the entire audit process, and includes a simulated audit conducted under supervision.

The training consists of four modules:

- Module 1 – Induction and audit basics
- Module 2 – Moving on from audit basics
- Module 3 – Simulated audit
- Module 4 – Seniors course

WHEN?

With regards to timing of the courses, we propose a progression based on academic progress, experience and development needs identified as follows:

- Module 1* – At commencement of training contract
- Module 2* – Approximately three months after Module 1
- Module 3 – Between 12 and 18 months into the training contract
- Module 4 – Start of year 3 (graduates) / at commencement of final year of training contract (non-graduates)

* These modules can be combined

DURATION

Duration of courses can be varied based on the firm's needs. Duration of the core training outlined is as follows:

- Module 1 – Two days
- Module 2 – Three days
- Module 3 – Five days
- Module 4 – Five days

**CONTENT AND OUTCOMES
FOLLOW ON...**



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CONTENT AND OUTCOMES

MODULE 1 – INDUCTION AND AUDIT BASICS

Participants will:

- Understand the need to develop the correct professional attitude to their traineeship
- Understand the importance of being aware of business developments and the financial and economical world around them
- Understand SAICA's philosophy of training and how it assists with the holistic development of the trainee accountant
- Understand the role of the IRBA (Independent Regulatory Board for Auditors) in the profession
- Understand the important influence a training officer can have on the trainee's professional development
- Be aware of their personal responsibilities with regards to their own professional development and identifying developmental needs during performance appraisals
- Set progressive performance and developmental goals to ensure that they become proficient at the full compliment of core experience required in terms of their training contracts
- Manage their time, stress levels and personal budgeting
- Understand what an audit is (overview) including:
 - Practical documentation requirements
 - Gathering audit evidence
 - Understand what is expected of them during their training contracts

Content:

- The audit practice as a business
- The role of SAICA and the IRBA in the profession
- Ethics in our profession
- Who says we can't do it?
 - Why am I doing articles?
 - Setting professional and personal goals for the short and medium term
 - Your development – your training officer's responsibility and YOUR responsibility
- Life-long learning – the importance of keeping up-to-date
- Performance appraisals and development plans
 - SAICA's technical and professional skills requirements
 - Firm's expectations
 - Your responsibility
- Life skills
 - Professional conduct and image
 - Business etiquette
 - Personal budgeting skills
- Do's and don'ts of client service
- Listening skills – how to follow instructions
- Time management and prioritising
 - Your time is no longer your own!
 - Prioritising
 - Selling your time
- What is an audit really?
- The audit process
 - Interpreting the ISA requirements
- Documentation and audit evidence
- Managing expectation gaps – what is expected of me?



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MODULE 2 – MOVING ON FROM AUDIT BASICS

Participants will:

- Understand why and how an audit is performed
- Set progressive performance and developmental goals, based on their experience to date and development needs identified
- Understand the importance of being aware of business developments and the financial and economical world around them
- Improve documentation standards and quality of documentation, complying with the necessary requirements to record sufficient and reliable audit evidence
- Develop practical skills to apply when conducting audits and gathering audit evidence, with reference to specific areas relevant to their level of expertise

Content:

- Goal setting for the course and the next six months
- Business awareness
- Risk identification and assessment (planning)
- Documentation and audit evidence – recap
- Understanding the client's business and elements of internal control
 - Information systems relevant to financial reporting
 - Control activities
 - The importance and impact of IT
- Sampling principles
 - Determining selection sizes
 - Methods for selecting the sample
- Inventory counts – preparation, attendance and documentation
- Bank confirmations and re-performing bank reconciliations
- Property, plant and equipment – physical verification and detailed substantive testing
- Statutory procedures – the risks and related audit procedures
- Other third party confirmations
- Performing analytical review on expenses
- Detailed substantive audit of payroll

MODULE 3 – SIMULATED AUDIT

Participants will:

- Conduct an entire audit of an owner-managed business, including:
 - Risk identification and assessment
 - Designing of appropriate audit procedures
 - Performing and documenting audit work
 - Concluding on the results of the work performed
 - Pulling it all together
- Experience regular client contact in a simulated and challenging environment
- Use the firm's electronic audit systems where relevant
- Suggest and process adjusting journal entries
- Review the work performed by a junior trainee
 - Technical review
 - On-the-job coaching
- Learn the correct process for clearing review queries
- Understand the use of analytical review as a substitute for detailed substantive testing
- Perform calculations for the discounting of trade receivables and payables

Content:

- The audit process – recap
- Drafting principles
- Understanding of the client's business and risk identification
- Performing risk assessment and calculating planning materiality
- Designing audit procedures and tailoring programmes
- Review of the bank and cash section
- Review of the property, plant and equipment section
- Audit of trade and other receivables
- Audit of trade and other payables (incl. provisions)
- Using analytical procedures for testing revenue, expenses and payroll
- Audit of inventory valuation
- Taxation
 - Audit of the taxation computation
 - Reconciling the SARS balance
- Conducting completion procedures



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MODULE 4 – SENIORS COURSE

Participants will:

- Be exposed to risk assessment (planning) activities important at a senior level, specifically:
 - Understanding of the client's business as basis for the risk assessment and resulting audit approach
 - Formulating the audit approach using all the information and specific planning tools and techniques available
 - Setting planning materiality
- Understand the importance and requirements when considering the risk of misstatement due to fraud, and our responses to that risk
- Understand how to perform tests of operation of control
- Understand matters regarding control of the audit with emphasis on budgeting and controlling costs
- Understand the management and leadership skills required in order to fulfil the duties of a senior trainee effectively:
 - Leadership
 - On-the-job coaching
 - Delegation and motivation
 - Providing feedback, including file review and appraisals
- Be exposed to completion activities important at a senior level, specifically:
 - The assessment of going concern, subsequent events, unadjusted misstatements and reporting to clients
 - Effective and efficient job completion

Content:

- Leadership and the leader as coach
- Quality work and the senior's role
- Performing preliminary analytical review and its impact on the risk assessment
- Related parties – risks and response
- Documenting the five elements of internal control, including the impact of IT
- Risk identification and assessment
- Determining and justifying planning materiality
- Considering fraud and lessons for auditors
- Testing of appropriateness of journal entries, accounting estimates and business rationale for transactions
- Laws and regulations – risks and response
- The auditor's duties relating to reportable irregularities
- Performing tests of operation of control
- Effective delegation / briefing the team (incl. role play)
- On-the-job coaching
- Budgeting and cost control
- Completion
 - Reviewing for subsequent events
 - The review process / review of working papers
 - Drafting points for partner attention
 - Recording and evaluating unadjusted misstatements
 - Concluding on the appropriateness of going concern
- Reporting to clients